

**CENTER FOR ECONOMIC GROWTH AND  
AGRICULTURAL DEVELOPMENT**

**FY 2000**

**RESULTS REVIEW  
AND  
RESOURCE REQUEST (R4)**

**PARTS I, II AND III**

**April 20, 1998**

**G/EGAD RESULTS REVIEW and RESOURCE REQUEST (R4)  
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## The Center for Economic Growth and Agricultural Development

### Introduction

Renamed in 1997 to reflect a renewed emphasis on agriculture in economic growth, the Center for Economic Growth and Agricultural Development:

- provides **technical leadership** to the Agency on a range of topics related to economic growth and agricultural development, including: macroeconomic policy; labor and trade policy; financial sector development; legal and regulatory reform; privatization of state-owned enterprises; business development in general, as well as, more specifically, agribusiness and microenterprise development; food policy; information technology applications for development; science and technology in agriculture -- soil science, livestock science and dairy development, biotechnology, integrated pest management, natural resources management, aquaculture and pond dynamics, and nutrition. This technical leadership role includes representing USAID in international fora, coordinating with other donors, and contributing to the articulation of strategy for achieving Agency-wide goals in technical areas associated with the Center's agenda.
- provides **field support**, (a), technical consulting and advisory services to Missions, both by direct-hire and contracted staff (for the design of new activities, evaluations, sector assessments, strategy design, technical assistance to governments and so forth) and, (b) programmatic support, that is, the management of worldwide contracts and grants which are accessed by Missions and Bureaus for specific activities.
- and manages an agenda of **research to advance the state-of-the-art**. In addition to funding a program of agricultural research undertaken by the international agricultural research centers and U.S. land-grant institutions, the Center worked with selected universities and research institutes in 1997 to: deepen our understanding of the dynamics of economic change, including the links between economic growth and other variables such as poverty, carbon emissions and population growth; explore the potential for the use of information technologies for development; determine the "best practices" for accelerating growth of microenterprises; and assess the impact of policy changes on productivity, competitiveness, and incomes.

This Results Review and Resource Request (R4) summarizes in Part I the progress made in the global economy, and especially in the developing and transitional countries where USAID works. Significant accomplishments with which Center staff and development partners have been associated are highlighted. In Part II, progress in meeting targets established for each of the Center's strategic support or special objectives is described in detail. In Part III, the status of our Management Contract is described and in Part IV, the resource needs are presented at two levels: one a straightline of FY 99 levels and another which would permit G/EGAD to respond more aggressively to the development assistance opportunities which USAID is encountering. Annex A, B and C contain the EGAD Results

Framework, the Performance Data Tables and our Management Contract, respectively.

## **Part I: Overview of Global Economic Growth and Agricultural Development**

Economic growth, in general, translates into overall improvements in the economic and social well-being of people in developing countries. Better incomes result in: increased food consumption and, often, diets of better quality; greater opportunities for micro and small enterprises to flourish; and significant contributions to improvements in health, education, mortality and morbidity rates. Growth brings increased trade flows and opens markets to U.S. exports. Agricultural development is the engine for economic growth in many countries. Widespread increases in agricultural productivity not only result in larger food supplies but in increased rural incomes. These support growth in local trade and off-farm employment as well as improved rural-urban linkages.

USAID Missions around the world support activities which contribute to the realization of these goals. The Global Bureau's Center for Economic Growth and Agricultural Development (G/EGAD) supports Missions in their efforts but also directly funds and manages activities which contribute to the development of: economic policy and institutions which underpin global economic growth; technologies which translate science into increased productivity; financial systems which provide credit to micro-entrepreneurs and small businesses; and business linkages which permit American firms to transfer technology and know-how directly to their counterparts in developing and transitional countries.

Statistics indicate that, in general, **global economic trends continued to be favorable in 1997**. World output expanded at over four percent. Inflation has been low and stable. Developing countries' GDP increased more rapidly (at 5.9 percent) than that of developed countries (3 percent) and transition countries (1.9 percent). Trade flows increased worldwide. Exports from developed countries increased most rapidly in 1997 (at 8.2 percent), developing countries' exports expanded at a rate of 7.5 percent, and transition countries experienced a 5.3 percent growth in exports. U.S. total trade continued to grow most rapidly with developing countries. Between 1990 and 1996, our total trade with the world grew at just over 8 percent per year while growth with those countries with USAID programs averaged 14 percent per year. This trend appears to have continued in 1997. Capital flows to developing countries, which reached a record high in 1996, continued to be strong.

However, two major events affected many USAID-assisted countries in 1997: **the East Asian financial crisis** and **the climate disruptions associated with El Niño**. These events had a significant impact on the rate of economic growth and underlying economic structures, highlighting the importance of appropriate and efficient policy regimes along with flexible and responsive market structures and institutions.

Capital flows reversed in the countries of southeast Asia in 1997 as the financial crisis took hold of the region at mid-year and continued to worsen to year's end. East Asian growth rates for the year averaged 6.8 percent, significantly lower than the 8 - 9 percent

recorded in previous years. The effects of the crisis were felt most sharply in Indonesia, Malaysia, the Philippines, South Korea, and Thailand. The ensuing devaluations reduced the value of the Indonesian rupiah by nearly 80 percent (though it recovered somewhat in early 1998) and the exchange rates of the other four countries lost approximately 60 percent of their dollar value. Stock exchanges in these five countries lost 60 - 80 percent of their value (in dollar terms) during 1997, amounting to about \$600 billion, or about 2/3 of their GDP.

This crisis confirmed and shed new light on:

- the importance of international financial flows in a growing number of emerging markets;
- the value of sound management, prudent supervision and transparency in financial systems;
- the potential for economic problems to spread among closely-linked economies; and
- the need for good governance to mitigate crises and re-establish stable economies.

The impact of El Niño -- through excessive rain or serious drought -- on growth rates, food production and food security was apparent in several countries. In Indonesia, for example, drought led to a 5 percent decline in rice production in 1997, seriously undermining the food security situation for millions of people. The weather phenomenon also reminded both donors and recipients that food security is not always the predictable result of locally-managed research, production, distribution and consumption, but, rather, that achieving food security when local production is variable also means having economic, fiscal and trade policies which permit a country to tap the world markets when need arises.

More generally, the growing importance of food security as a U.S. national objective became a factor in G/EGAD's programming, our support to regions and missions, and the role we played in international development fora in 1997. The acceptance of the policy and trade dimensions of food security, rather than just defining it as an agricultural production issue, served to highlight the interrelated character of the Center's mandate. Indeed, food production and trade in agricultural commodities continued to increase in 1997 on a global basis but did not result in a commensurate reduction in reported hunger and malnutrition. In absolute terms, hunger remains concentrated in the seven countries (including China) which account for more than 60 percent of the world's undernourished population. But UNICEF's 1997 data shows that over half of all children in South Asia and over one-third in Africa are malnourished -- indicating the relative priority of this issue in much of the developing world.

G/EGAD's portfolio responds directly to the global problems of economic growth, food security, and broad-based participation in market-oriented economies. Its value to the field is reflected in the high numbers and levels of requested for field support, OYB transfers, buy-ins and time spent by G/EGAD staff supporting missions in the field. The demand for the Center's services, staff and products, in turn, validates the choice of objectives in our

results framework (Annex A) and the continuing validity of our approved management plan (Annex C).

### **The G/EGAD Program in 1997**

G/EGAD financial and personnel resources were focused in 1997 on meeting the needs and concerns of missions and developing countries through implementing programs to:

- build or strengthen the policy, legal and institutional underpinnings for the operation of **competitive markets** (SSO3, SPO3);
- support more rapid and enhanced **agricultural development and food security** (SSO2, SPO4); and
- expand **access to economic opportunity for the rural and urban poor** and increase the equitableness of such access (SSO1, SPO1, SPO2).

Events in 1997, and the increasing demand for G/EGAD services, both programmatic and staff, pointed to the fact that maintaining high levels of field support, effective networking on behalf of U.S. interests with other donors, and expanding the involvement of our development partners in our efforts are highly staff- and labor-intensive in nature. As a result, G/EGAD personnel were fully occupied in 1997: designing and implementing new, flexible contract and grant mechanisms for technical leadership and field support; spending a large number of person-months on TDY in support of our field support and research agendas; and undertaking key inter-agency and multilateral leadership and policy development tasks.

Key accomplishments for G/EGAD's staff in 1997 included:

- achieving the passage of **telecommunications** privatization and regulatory reform laws in El Salvador;
- supporting USAID/Jakarta's efforts to reprogram their assistance to the Indonesian government in addressing the **financial crisis**;
- providing the technical leadership, in cooperation with USAID/Moscow and USDA, to develop an **agribusiness reform and foreign investment** program in Russia;
- expanding the use of state-USAID Memoranda of Understanding, increasing the number and quality of **business opportunities** identified for LDC and U.S. firms;
- achieving a level of **microenterprise support** activity which significantly exceeded expectations; and
- helping finalize and put into operation the management improvement plan necessary for USAID to obtain approval of the **Development Credit Authority** in 1998.

### **Factors Affecting G/EGAD Performance in 1997**

G/EGAD's program, and its ability to exercise technical leadership and provide field support, were affected by several factors -- both positive and negative. On the positive side, these factors included:

- *Staff availability* to support missions and our success in expanding G/EGAD's flexible, responsive *IQC and Cooperative Agreement mechanisms*. As a result, we were able to continue our outstanding record of providing timely expertise to the field through both our results packages and our direct-hire staff expertise. The availability of highly-qualified RSSA and IPA staff in our Microenterprise Development Office also enhanced the quality and direction of programs on which they consulted.
- Our ability to draw on our *long-standing relationship with agricultural research centers of excellence* -- both in the international and U.S. land-grant communities -- as well as with national agricultural research entities. These long-term relationships enhance our ability to introduce new approaches and techniques developed in the U.S., and also enable us to address difficult issues, such as biodiversity and genetic engineering, in a manner which benefits our development partners and the U.S.
- The expansion of our *Global Technology Network*, supporting developmentally- and economically-sound technology transfers, business opportunities and joint ventures. This expansion during 1997 included intermediary organizations both at the state level and in USAID regions, increasing the coverage of this effective and cost-efficient development tool. We now have collaborative arrangements with 20 states and include more than 60,000 U.S. businesses in our database.
- More closely *linking the efforts of agricultural researchers in Israel and the Middle East* to interests and capabilities of researchers in the U.S., enhancing the impact on both.

At the same time, G/EGAD's performance was constrained by negative factors which, if allowed to continue and expand, threaten the viability of many of our programs and our ability to provide meaningful technical leadership and field support. These negative factors include:

- The growing level of program *directives*, within a context of decreasing budget levels, and the rigidity and lack of flexibility they introduce into G/EGAD's program. For example, if the anticipated level of directives in 1999 and beyond had been in effect in 1997, we would have never been able to respond at the first evidence of an East Asian financial crisis, as the underlying research and staff expertise would not have been developed prior to the crisis. Similarly, the growing number of directives already threatens to overwhelm our efforts to provide meaningful policy development support in the area of world food security, now a major U.S. Government concern.
- Increasingly inadequate levels of *Operating Expenses*, and the direct consequences on



staffing levels and the ability of direct-hire staff to travel to missions and regions to provide field support. As discussed above, much of G/EGAD's technical leadership has been exercised through its own staff resources being applied to mission problems. Inadequate OE levels -- across the board -- will effectively limit such assistance to missions in the future.

- The *growing complexity* of the development challenge being faced by both recipients and donors. For example, the financial sector crisis in Indonesia quickly led to a crisis in governance and politics due to inadequate policies and institutions; this, in turn, is leading to a humanitarian crisis which threatens to swamp U.S. Government efforts to assist that country. On balance, much of this impact could have been avoided or greatly mitigated had the interrelationships of the fiscal, economic, social and political sectors been recognized and addressed prior to the financial crisis. The Agency is facing an analogous situation in the area of food security, where the failure to appropriately coordinate all assistance tools threatens to exacerbate social, health and nutrition indicators.
- Finally, the greatest constraint faced by G/EGAD is the preference -- as seen in the declining budgets for economic growth and agricultural development since 1994 -- for *other policy priorities within the Agency*. Ultimately, significantly and consistently favoring other development goals over the economic growth and agricultural development goal will make USAID's development efforts unsustainable. And, not being sustainable, without progress in economic growth and agricultural development, advances in other development goals will be lost.

## **Part II: Progress Toward Objectives**

G/EGAD tracks its contributions to the Agency's goal of encouraging broad-based economic growth and agricultural development with the use of a Center-specific results framework with three Strategic Support Objectives (SSOs) and four Special Program Objectives (SPOs). The Center framework corresponds conceptually (although not in numerical identification) to that established for the Agency goal as a whole.

USAID Objective 1.1: Critical private markets expanded and strengthened

USAID Objective 1.2: More rapid and enhanced agricultural development and food security encouraged

USAID Objective 1.3: Access to economic opportunity for the rural and urban poor expanded and made more equitable

G/EGAD SSO 3: Support appropriate and functioning economic policies, market reforms, and institutions in emerging markets and priority countries

G/EGAD SPO3: Expand technology transfer by US business [directly to businesses in developing and transition countries]

G/EGAD SSO2: Improved food availability, economic growth, and conservation of natural resources through agricultural development

G/EGAD SPO4: Increased science and technology cooperation among Middle Eastern and developing countries and utilization of U.S. and Israeli technical expertise by developing countries

G/EGAD SSO1: Improved access to financial and nonfinancial services for microenterprises of the poor

G/EGAD SPO1: Better access to finance and information for micro and small businesses

G/EGAD SPO2: Enhance the ability of indigenous business to become viable within emerging markets

Objective Name	Rating	Evaluation findings
SSO 3: Support appropriate and functioning economic policies, market reforms, and institutions in emerging markets and priority countries	Exceeded	Research studies based on country studies in Asia reinforced importance of sound policies & institutions in econ. growth.

SpO3: Expand technology transfer by US business [directly to developing and transitional countries]	Exceeded	The USAEP evaluation of 1996 confirmed the utility of this approach.
SSO2: Improved food availability, economic growth, and conservation of natural resources through agricultural development	Met	Institutional review of CG system undertaken in FY 97 by independent panel headed by Maurice Strong. Consistent results of CRSP field research confirm progress..
SpO4: Increased science and technology cooperation among Middle Eastern and developing countries and utilization of U.S. and Israeli technical expertise by developing countries	Met	CDIE evaluation was completed in 1996.
SSO1: Improved access to financial and non-financial services for microenterprises of the poor	Exceeded	Reporting Agency-wide reveals substantial outreach to poor entrepreneurs. Field assessments confirm micro-lenders are strengthening. AIMS research is assessing impact.
SpO 1: Better access to finance and information for microenterprises and small businesses	Met	Annual audit confirms on track.
SpO 2: Enhance the ability of indigenous business to become viable within emerging markets	Met	ATI self-evaluation in 1996. IESC comprehensive reporting system.
Percent funding through NGOs and PVOs: FY98 25%; FY99 25%; FY00 25%. This includes the \$25 million transferred from Regional Bureaus for Microenterprise Programs and assumes the 75% went to NGO/PVO support.		

### **USAID Objective 1.1: Critical private markets expanded and strengthened.**

#### **G/EGAD SSO 3: *Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Emerging Markets and Priority Countries***

##### **A. Overview and Factors Affecting Performance**

This Strategic Support Objective focuses on supporting Missions and the Agency as a whole in achieving five outcomes, or Intermediate Results (IRs):

- Increased **privatization** of economic assets and improvements in competitive

- market environments (IR 3.1)
- Increasingly liquid, transparent, and rationalized **financial markets** (IR 3.2)
- Increased economic stability and **structural reforms** (IR 3.3)
- Increased application of **legal, institutional and regulatory reforms** for competitive markets (IR 3.4)
- Increased **trade, investment**, and generally enhanced business environment (IR 3.5)

Missions and regional bureaus draw on this support by using buy-ins or OYB transfer authority to access a number of service providers (contractors/grantees) associated with activities managed by EGAD's Emerging Markets (EM) Office. Services provided include program and activity design, development and implementation. In FY 97, EGAD/EM managed 89 such requests, an increase of 11% over the previous year. More significantly, the average dollar value of requests increased dramatically in FY 97 -- by 76% over the previous year.

In 1997, EGAD/EM took steps to improve the range of services provided through these central contracts and grants by designing and developing an umbrella activity, *Support for Economic Growth and Institutional Reform (SEGIR)* which will ultimately provide the framework for five sets of Indefinite Quantity Contractors (IQCs) covering all areas of technical expertise involved in establishing the appropriate policy and institutional framework for the development and operation of critical private markets. Two of the five sets of IQCs came on-line in FY 97.

Topflight talent is already being provided to Missions to address issues of privatization and post-privatization and of legal, regulatory, and institutional reform. Continued excellent performance of contractors and grantees under the Private Enterprise Development (PEDS) activity, the Consulting Assistance in Economic Reform (CAER) activity, and the Financial Services Development Project (FSDP) enabled Missions and EGAD/EM itself to accomplish a range of analytical, implementation, and training tasks. In sum, EGAD/EM in 1997:

**Met a growing demand for field support...**

In 1997, EGAD/EM supported 127 activities in over 50 countries. These activities included support provided through mission buy-ins in areas such as privatization, legal and institutional reform, economic policy, financial sector and general business, trade and investment. In addition, EGAD/EM direct-hire staff provided 368 person days of support through 34 TDYs for a wide variety of assignments, including strategic planning, activity design and evaluation and temporary staff replacement. Most of these TDYs were funded by the requesting Missions.

The office sponsored three major professional conferences in 1997:

**Sparked, in part, by EM's technical leadership...**

Economic Growth and Agricultural Development; Privatization Technical Leadership; and Democracy and Governance/Economic Growth Linkages (the latter the result of collaboration with the Democracy and Governance Center). Each attracted more than 175 USAID professionals and development partners, for a total of over 500 participants. In addition, the office sponsored a series of seminars on various topics including the Asian financial crisis, the economics of carbon-based pollution and private provision of infrastructure.

**And backed by an innovative economic research program.**

Jeffrey Sachs, of Harvard, was one of the speakers in the Asian seminars, and his research was launched (with CAER core funding) **before** there was any indication of the massive financial crisis, so the results were both opportune and significant in helping guide U.S. responses in Thailand, Philippines and Indonesia to the emerging crises. Through another EGAD/EM program, the late Mancur Olson led the University of Maryland's IRIS Center team in research on the importance of institutions, particularly those that protect individual rights, in economic and social development; his presentation in the seminars drew on this research in addressing the governance dimensions of the Asia crisis.

## **B. Monitoring Performance**

EGAD/EM monitors performance regarding SSO3 at two levels: that of countries in a group of 15 selected "sentinel" countries; and that of EM-funded or -managed activities. Summary results are presented below while full details on all countries are found in Annex B.

The sentinel countries, grouped by USAID region, are:

<i><b>AFR</b></i>	<i><b>ANE</b></i>	<i><b>ENI</b></i>	<i><b>LAC</b></i>
Ghana	Egypt	Poland	Bolivia
South Africa	India	Russia	El Salvador
Zimbabwe	Indonesia	Ukraine	Haiti
	Jordan		Peru
	Philippines		

EM does not limit the use of its resources or its research agenda to activities or topics relevant only to these countries. However, by using these as "sentinel" countries, it is possible to focus on the performance of a few USAID-assisted countries in each region regarding their progress toward establishing competitive markets and to identify emerging issues which are likely to affect other USAID-assisted countries as well.

### **IR 3.1: Increased Host Country Privatization and Improvements in Competitive Market Environments**

The divestiture of state-owned enterprises and the drafting of laws and regulations which facilitate increased private investment in sectors previously monopolized by the state continued in most of the sentinel countries. EGAD/EM support for these processes was extended both through staff support and through Mission use of EGAD/EM-managed contracts and grants.

#### ***Key Performance Indicators***

EGAD/EM tracks IMF data on the subsidies paid by the government to sustain state-owned enterprises.

For 1997, data on the sentinel countries indicate a positive change. The share of subsidies in the government budgets decreased, on average, by 33 percent.

***Performance is on track.***

#### ***Impact of EGAD/EM Contract/Grant Activities***

Technical services were provided to five countries in 12 task orders valued at \$4.2 million in FY 97; work funded in earlier years also produced results. Results in sentinel countries included:

*Egypt.* The privatization and transfer of assets to the private sector of various state-owned chemical companies was completed. In September, 1997, agreement was reached on continuing with privatization of three more companies with the possibility of adding six more to the contract later.

Design work for the Agriculture-Led Export Business Project was also completed. *Zimbabwe.* Initial work on the Enterprise Development Project resulted in the introduction of employee stock option program concepts.

*South Africa.* A key step of privatization -- constituency-building -- has resulted in extended contacts with investors. Subsidies paid by the central government dropped from 4.6 to 4 percent of total government spending between 1994 and 1996.

*Haiti.* Advisors provided input into the development of Haiti's privatization program.

Among other countries:

*Angola* is introducing private sector management into its urban water supply and sanitation services.

*Malawi.* The Secretariat of the Privatization Commission continued to receive advisory services both on policy and day-to-day implementation of the privatization program.

*Namibia.* An Investor Roadmap was completed, identifying significant impediments to private sector development and trade. Technical advisors are now beginning work to correct problems identified.

*Bulgaria.* The restructuring of three chemical companies was launched.

**Core-funded research activities** resulted in: preparation of an Entrepreneurs' Roadmap Guidebook; analysis of USAID's role in economic reform; the design of USAID's Development Credit Authority; a comprehensive system for measuring development status and programs (the WEB model).

***Staff Support: Highlights in 1997***

At Mission and Embassy request, EGAD/EM's senior economist advised the Government of El Salvador on development of a telecommunications privatization law. At Mission request, EGAD/EM staff economists provided interim activity management and proposal evaluation support to USAID/Russia in the area of tax reform. Staff economists also participated in dialogue on civil service policy reform in Mozambique and labor market policy in the Dominican Republic

### IR 3.2: Increasingly Liquid, Transparent and Rationalized Financial Markets

Viable financial markets, managed by commercial banks with adequate regulation and Central Bank supervision, facilitate private sector growth and the efficient functioning of commodity markets. They make access to credit easier, with efficient and transparent transactions. Well-regulated capital markets increase the flow of private investment capital, creating jobs and generating industrial growth in the private sector.

The ratio of M2 to Gross Domestic Product (GDP) provides a good measurement of the “depth” of financial markets and was selected as the key indicator to be monitored in the sentinel countries.

#### *Key Performance Indicators*

In 1997, data show that the median percentage change in the financial depth indicator in the sentinel countries was strongly positive, at a 66 percent level of increase.

*Performance is on track.*

#### *Impact of EM Contract/Grant Activities*

During FY 1997, EGAD/EM managed 19 support activities valued at \$7 million in 13 countries. Results of activities in sentinel countries included:  
*Egypt's* Central Bank and Capital Markets Authority received a range of technical assistance to revitalize financial markets in a newly-liberalized environment.

*In other countries:*

*Uganda's* Cooperative Bank developed MIS and automation systems; capital market strengthening activities were initiated.

Several *Jamaican* microfinance entities received training. Legal research for an African-initiated and African-managed investment fund (to channel equity capital and long-term debt to investment projects in *West Africa*) was completed.

*Ecuador:* CorpoMicro received advice on strategic planning, organizational development, and information systems.

*Bulgaria:* Bank restructuring and bank supervision work assistance is reportedly already stabilizing the banking sector.

A **core-funded** Microfinance Distance Learning activity is focussing on training materials development and automation requirements for that industry. Core financing was also provided to Albania for bank supervision policy development.

*Staff Support: Highlights in 1997*



EGAD/EM staff participated in the Inter-American Development Bank workshop on loan guarantees and consulted in several countries on the provision of infrastructure services by the private sector.

### IR 3.3: Increased Economic Stability and Structural Reforms

Large government deficits, high rates of price inflation, and frequent crises caused by shortages of foreign exchange do not provide a positive environment for economic growth. The East Asian crisis has dramatized the importance of good economic management, not only for investment, but also for the welfare of ordinary citizens.

EGAD/EM has identified three intermediate indicators to track maintenance of past stabilization reforms and progress in expanding such reform. *Reductions in government deficits* cut inflationary pressures and reduce the extent to which government spending crowds out and reduces private investments for productive facilities. The *GDP price deflator* is a summary measure of the effectiveness of combined fiscal and monetary policies in moderating inflation, allowing producers and consumers to make investment, production and consumption decisions with minimal price uncertainty. The general effect of reduced inflation is greater producer attention to production efficiencies, and less to speculation by, and on, price movements. Finally, the health of a nation's export industries is significantly related to the appropriateness of its foreign exchange and trade regimes. This is best indicated by the *size of foreign exchange reserves* compared with the size of its monthly imports; five to six months of reserves is optimal.

#### *Key Performance Indicators*

Intermediate results for the three key indicators are mixed.

**Budget balances** changed very little, on average, and **foreign exchange reserves** improved, at best, by a modest +1 percent.

However, the median reduction in **inflation rates** was 22 percent of the target.

**Overall, performance is mixed**

#### *Impact of EM Contract/Grant Activities*

In FY 1997, five Missions and three regional bureaus requested 10 buy-in interventions valued at \$2.8 million to achieve increased macroeconomic stability and economic reforms. Included were:  
*Sri Lanka*: Support was extended to increase the institutional capacity of its Department of Commerce; and

Analyses on the impact of sector reforms in *Jordan* were delivered to the ANE Regional Bureau.

#### *Staff Support: Highlights in 1997*

Macroeconomic policy advice was provided to nearly 30 missions, including the Central Banks of El Salvador, Haiti, the Dominican Republic, Jamaica, Russia, and South Africa.

### **IR 3.4 Increased Application of Legal, Institutional and Regulatory Reforms for Competitive Markets**

With the completion of the Uruguay Round of the General Agreement on Trade and Tariffs (GATT) negotiations and the establishment of the World Trade Organization (WTO), governments have begun to reduce the great variety of regulations and taxes that keep private employers from effectively and extensively participating in international trade. However, the regulatory, tariff and other barriers inherited from the 1970s and 1980s are enormously varied, complex and extensive, and require considerable effort and political will to dismantle. The **sum of imports and exports**, compared with the size of each nation's GDP, measures both the nation's openness to international competition and the effectiveness of domestic producers in selling internationally.

#### ***Key Performance Indicators***

In the sentinel countries, **this indicator rose by a modest, but positive, +2%**, reflecting a slight increase in trade openness in the sentinel countries.

**Performance is mixed.**

#### ***Impact of EM Contract/Grant Activities***

At the request of 15 missions, during FY 1997, EGAD/EM managed 17 activities related to legal, regulatory, and institutional reforms.

These included legal reforms research and marketing assistance for the West African Enterprise Fund, advice on intellectual property rights in Ecuador, legal assistance in designing Russia's regulatory system, and assistance to Vietnam on laws affecting private companies.

**Core-funding** resulted in the Globalization of the Institute for Liberty and Democracy (ILD) in Haiti, Egypt and South Africa.

#### ***Staff Support: Highlights in 1997***

Staff assisted missions in drafting major scopes of work for projects in the field. Numerous discussion and working papers were prepared in areas such as Economic Reform and Sustainable Development in Romania and Dumping and Anti-Dumping Policies with Applications in Lithuania.

### **IR 3.5: Increased Trade, Investment, and Generally Enhanced Business Environment**

Reforms have helped create environments increasingly friendly to private investors. These, in turn, add to the demand for workers, eventually leading to increases in wages and improvements in worker incomes.

#### ***Key Performance Indicators***

The foreign direct investment indicator indicates the attractiveness of a nation's business environment to foreign and domestic employers. **This indicator remained constant** during the data period, neither rising nor falling.

#### ***Impact of EM Contract/Grant Activities***

During FY 1997, EGAD/EM undertook 27 activities valued at \$6.9 million in 12 countries and two regional bureaus. Among these were "investor roadmaps" in Namibia, Uganda and Tanzania, as well as assistance to South Africa's export-led growth regime, Industrial Estate development for the West Bank/Gaza, assistance to Ghana in developing packaged staple foods, and design support for Egypt's "Growth through Globalization" activity.

**Core funded** activities also included advisory services to Madagascar, a world-wide assessment of the Financial Markets Advisory Program, South Africa Export Promotion Strategy, and the development of the Web Model for benchmarking development progress.

#### ***Staff Support: Highlights in 1997***

Haiti's private sector strategy development, consulting with, Regional Center for Southern Africa on trade strategy and advice on Uganda's Private Sector Development Strategy were completed in 1997.

### **C. Expected Progress Through FY 2000 and Management Actions**

As USAID moves toward 30 sustainable development (full presence) missions, 20 transition countries with representation, and 10 "special interest" countries, the full range of technical expertise supporting the five aspects of economic growth associated with EM-managed IRs is likely to be needed. We are confident that the SEGIR approach -- in which five sets of contractors are available to all Missions and Regional Bureaus through an efficient, delivery order contracting mechanism managed by a strong team of in-house professionals -- will provide both the quality and quantity of expertise required. Budget ceiling levels are adequate (or will be adequate as they are established in FY 98 and FY 99 for the three areas which are still being competed) to allow for a high level of Mission and

Bureau demand and buy-in. Central oversight of these contracts by EGAD/EM will identify opportunities for cross-fertilization, lessons learned, and emerging issues of global or multicountry importance.

However, the "core" budgets for EGAD/EM largely determine the extent to which the office can offer top quality technical leadership and staff support services to missions and regional bureaus. Technical leadership requires that core funding be available for such activities as quantifying the links between economic growth and carbon emissions, defining optimal ways of promoting private investment in infrastructure, undertaking cutting-edge applied research on key capital markets issues, and conducting global or multinational assessments of specific program experience. Direct staff support capability is a question of OE funds, although additional EM program budget resources would permit EM to invite distinguished academics and practitioners to join the staff as visiting experts, significantly enriching USAID's economic and private sector capabilities.

As program budget and OE resources decline – as they have over the past several years, with a further plummet seen in FY 99 – EGAD/EM's ability to maintain the scale of skilled support services which has been required by missions over the past years will be significantly curtailed and, in some instances, ended. Given the importance of economic growth to the Agency's mandate, this would be a serious state of affairs. For FY 2000, therefore, a more ambitious budget level is proposed in Section IV.

**G/EGAD SPO3:     *Expand Technology Transfer by U.S. Business***

**A.     **Overview and Factors Affecting Program Performance****

The Center for Trade & Investment Services (CTIS), opened in September, 1992 to heighten and improve public awareness for the Agency's work and for business opportunities deriving from USAID assistance. CTIS also took responsibility for setting up an Environmental Technology Network for Asia (ETNA) in 1992 as part of the U.S.-Asia Environmental Partnership (USAEP), a joint program of USAID and the Department of Commerce. The objective of the Network was to promote the use of U.S. environmental technologies produced by small and medium sized American businesses in the solution of environmental problems in the Asian region. The initial success of both CTIS and the ETNA efforts was used as a benchmark as CTIS was folded into the Center for Economic Growth of the Global Bureau in 1994-95 and transformed into the Business Development Office (now EGAD/BD).

EGAD/BD determined that a more targeted approach would result in better links between international procurement opportunities and U.S. businesses and, thus, in more trade and investment opportunities in selected sectors of interest to USAID, sustained solely through private sector interests. As a result, CTIS operations were revamped to mirror the Agency's sector focuses on agribusiness, environment, health and information technology. A new Global Technology Network (GTN) was set up by EGAD/BD to facilitate the transfer of U.S. technology to USAID-assisted countries and regions. Technology transfer opportunities are identified by USAID missions and local partners and are distributed through the GTN.

The core of the GTN is a computerized matching facility which takes business "leads" from field-based staff of various organizations, filters them for content and area of interest, and disseminates them to U.S. companies selected from the 60,000+ firm database. Through this process, GTN promotes the use of private sector solutions and approaches in USAID development assistance programming.

Business Support Services are a complementary component of the GTN offered by the Business Development Office. EGAD/BD also staffs outreach offices in the U.S., both to continue the CTIS mandate of public awareness but also to improve the quality of the GTN operation and its successful establishment of viable business linkages. In summary:

**Technical leadership  
in building a  
network for  
business linkages...**

EGAD/BD has rapidly developed into the primary Agency-wide source of: advice on how to work with the private sector; representation of USAID to the private sector; and linking the U.S. and LDC private sectors. EGAD/BD's role and the success of the GTN have, in turn, helped reinvigorate the Agency's awareness for, and cooperation with, the U.S. private sector and the contributions it can make to our economic development agenda.

**Has enabled  
EGAD/BD to excel  
in providing field  
support.**

USAID Missions, Foreign Commercial Service offices, and U.S. Embassies are increasingly using GTN to identify U.S. firms capable of delivering the appropriate technological products or services needed to address LDC development problems. The fact that GTN's database contains over 60,000 U.S. firms, identified by over 725 sub-sectors in the areas of environment, agribusiness, health and population, and information technology makes it an invaluable tool in support of economic development. Similarly, an aggressive program of developing collaborative arrangements with Departments of Economic Development or Export Promotion in more than 20 states enables EGAD/BD and the GTN to provide quality follow-up services with an extensive array of potential development partners.

## **B. Monitoring Performance**

EGAD/BD's current single measure of performance is the extent of its outreach, both in developing and transitional countries and in the United States. Steps were taken in 1997, however, to establish the capacity to track "opportunities" as they mature into "deals." The new information management system came on-line in early CY 98.

### ***Key Performance Indicators***

### ***Impact of EGAD/BD Activities***

GTN exceeded its FY 97 target of 1000 *technology transfer opportunities* by identifying 1,336 technology opportunities and over 162,623 matches with U.S. firms.

GTN now receives approximately 150 technology leads a month, a 200% increase over the average prior year production under ETNA.

GTN's electronic matching system has been expanded and can now create a very targeted list of capable U.S. firms.

The ETNA *network* expanded to include 10 Asian countries, and

Through a newly-developed Trade Lead Tracking System, GTN will be able to provide information on all technology requests, as well as contact information on all matched

GTN also included 10 Latin American and 4 African countries.

GTN/Department of State *partnerships* established linkages with eight embassies in Africa which are now reporting technology opportunities.

By the end of FY 97, MOUs with *12 state-level organizations* were in place.

firms, to its development partners, which will then be able to follow up with the U.S. firms receiving the leads. This new electronic system and partnership network can potentially have a tremendous impact on both increasing technology transfers and expanding U.S. exports.

### C. Expected Progress Through FY 2000 and Management Actions

During FY 98 and beyond, GTN will expand its database of U.S. agribusiness and health firms to cover all sub-sectors within those two industries. The FY 1988 target for registration of new U.S. firms into the GTN database is 10,000. In addition, EGAD/BD has set a goal of registering an additional 20,000 U.S. technology firms into its partner database. GTN has developed a tracking system for field representatives to track and follow-up with indigenous firms. The new follow-up activities are expected to lead to 20 completed transactions, leading to technology transfers of \$15 million during FY 1998.

Based on demand and network capacity, GTN could expand its partnership with state trade organizations to provide follow-up coverage in 10 additional (30 total) states, including new partnerships with the U.S. Small Business Administration and selected Department of Commerce offices. Through these strategic partnerships and the new GTN Trade Lead Tracking System, EGAD/BD would be able to track results and provide counseling and assistance to facilitate an increase in the number of firms responding to leads and winning contract awards.

Budget availabilities for FY 99, however, are so limited that the core-funded outreach services may be compromised. **Based on current activities, EGAD/BD can fund the essential range of core services for \$1.5 million.** These funds, combined with expected regional bureau buy-ins of \$1.6 million, would be sufficient to carry out all current operations, as well as planned operations such as support to up to 20 state trade partners. However, if no changes are made in the proposed FY 1999 level of \$893,000, EGAD/BD will consider: eliminating all activities in Latin America, cutting back its activities in three to five African countries, suspending support to a number of state trade organizations, and closing and/or cutting back USAID's regional outreach offices in California, Florida and Illinois. In addition to reductions in GTN operations, at the proposed levels there would be no funds in

either fiscal year to support commitments made to Programa Bolivar (which provides USAID with outreach through 118 of its own offices throughout Latin America), or the matching grant fund, which is the logical next step in leveraging funds from state development agencies to support economic development activities overseas. These cuts would occur at the very time that USAID, other USG agencies and state development agencies are looking to EGAD/BD for greater contributions and results.

**USAID Objective 1.2: More rapid and enhanced agricultural development and food security encouraged**

***G/EGAD SSO 2: Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development***

**A. Overview and Factors Affecting Performance**

Increases in per capita food production at a global and regional level are a readily-understood indicator of progress for agricultural development, food security, and the conservation of natural resources. Food consumption data, especially if they reflected the quality as well as quantity of food eaten, would be preferable, capturing the income effect of economic growth as well as individuals' physical access to food supplies and food security. Such data are, however, less readily available on an annual basis. The strength of the production indicator is that, by taking into account population changes, it portrays whether we are making progress in agricultural development in ways that relate both to the individual and the larger economy.

**Aggregate performance toward the USAID objective as measured by food production was mixed in 1997. Per capita food production rose in Asia and Latin America, but data for Africa, on average, showed a slightly negative trend.** Although many USAID-assisted countries in Africa have shown a greater understanding of, and support for, improvements in the research, policy and production aspects of their agricultural sectors, gains in productivity were outweighed in 1997 by both civil unrest and the drastic impact of adverse weather conditions associated with El Niño.

The Agriculture and Food Security Office of the Center for Economic Growth and Agriculture Development (EGAD/AFS) addresses the agriculture and food security challenges in four areas, that is, supporting the development and adoption of:

- sustainable technologies and policies that enhance food production and availability (IR 2.1, the Research Team)
- policies and technologies that improve food access and agribusiness opportunities (IR 2.2, the Agricultural Enterprise and Market Development Team)



- technologies, policies, and practices that enhance long-term conservation of natural resources (IR 2.3, the Sustainable Development Team); and
- information systems that enhance decisionmaking for the agricultural sector (IR 2.4, the Agricultural Strategy Team).

As the largest Office within the Center, EGAD/AFS sustained a full program of activities in each of these areas throughout FY 1997.

**Technical leadership in international programs, as well as in USAID's own program, complemented...**

EGAD/AFS manages the USAID contribution to the core funding of the international agricultural research centers (IARCs) that are members of the Consultative Group on International Agricultural Research (CGIAR) and sits on both the oversight and genetic resources policy committees. In FY 97, EGAD/AFS succeeded in increasing IARC interest in and capacity to tap U.S. research expertise. CGIAR funding was leveraged to launch more than 90 new university partnerships. Leading areas of collaboration included GIS/Information systems (16 activities), Biotechnology (21 activities), Genetics and Breeding (22 activities), Natural Resource Management (25 activities), and Economics and Social Science (16 activities).

EGAD/AFS also manages the core USAID funding for the Collaborative Research Support Program (CRSPs), a unique set of long-term applied research programs involving U.S. land-grant universities, partner institutions in developing and transition countries and, increasingly, private businesses either in the U.S. or abroad. The CRSPs provide a flexible mechanism for problem-solving through science. Based on recent research findings showing that more than half of early childhood deaths in developing countries can be traced to malnutrition, for example, CRSP investments in livestock, fish, food and nutrition policy and water resource management are being refocused with AFS leadership to give more emphasis to increased micronutrient content and availability, food insecurity vulnerability monitoring and mapping (with FAO), post-harvest processing for improved nutritional quality and agricultural water resource-health relationships.

**Field Support to Missions and to programs in non-presence countries...**

EGAD/AFS provided a wide array of services to Missions and Regional Bureaus in 1997; more than 260 person-weeks of field support were provided in areas ranging from strategic planning to technical assessments and reviews to project design and implementation. More than \$21 million dollars in activities funded by other operational units were implemented by AFS through its partners in U.S. universities, the International Agricultural Research Centers system and other centers of expertise. AFS also provided more than 35 person-weeks of technical

leadership activities for its partners both within and outside the U.S. government.

An outstanding example of work combining technical leadership and field support was EGAD/AFS's collaboration with USAID/Russia, USDA, and the Gore-Chernomyrdin Commission committees on agriculture. Through outreach to the U.S. agribusiness community and intensive regional level consultations within Russia, more than \$20 million in new investments in Russian rural development have been realized. This strong showing was the result of combining policy and business development needs to marshal interest from banks, businesses and local political leaders in both countries.

**And research direction and oversight.**

The EGAD/AFS research agenda is deeply integrated into both technical leadership and field support activities. Given the special nature of the Title XII mandate in USAID's authorizing legislation, EGAD/AFS is charged with ensuring that the benefits derived from EGAD/AFS-funded or -coordinated research are mutually shared by the U.S. and developing and transition countries. Genetic diversity and research from the Peanut CRSP, for example, helped North Carolina, Texas and Oklahoma farmers gain some \$30 million in 1997. Bean-Cowpea CRSP plant materials provided a bulwark against a bean rust epidemic sweeping Nebraska and Colorado. Similarly, the benefits to the U.S. of the germplasm flows and research collaboration in international agricultural research are cumulative. For example, a study by the International Food Policy Research Institute and the University of California at Davis showed that the U.S. economy gains hundreds of millions of dollars per year from CIMMYT and IRRI research on wheat and rice. Data from 1997 are not available, but from 1970 through to 1993, these impacts were worth between \$3.4 billion and \$14.7 billion to the U.S. economy, benefiting both producers and consumers.

**B. Monitoring Performance**

1997 data suggests that actual per capita production in all developing countries was up only slightly over 1996 and was below the projected level. This represents a marked shift from recent years when per capita food supplies have increased at an average rate of over 2% per annum. Disaggregation of the indicator at the regional level shows that *the continuing trouble spot is Africa*. Per capita production in sub-Saharan Africa declined by nearly 5% per capita in 1997, worsening an already serious situation of food shortage/food insecurity. Key factors include poor weather, as well as war and civil disorder in some western and central areas of the continent. Partially offsetting lower numbers from these areas was the relatively better performance in Mali, Mozambique and several other countries.

*The situation in Asia and Latin America was much more positive.* In both areas, target figures were exceeded. In Asia, however, it is important to note differential progress between eastern and southern areas of the continent; strong growth in the former has tended to mask weaker growth performance in the countries of South Asia. In 1997, poor weather reversed the longer term trend, with Indonesia and the Philippines both suffering declines in per capita food production.

**IR 2.1: Sustainable technologies and policies that enhance food production and availability developed and adopted.**

Scientific research in the International Agricultural Research Centers, applied research by the CRSP teams, and policy analysis and advisory services provided by U.S. land grant universities (the BASIS CRSP, the Food Security II activity implemented by Michigan State University in Africa), the International Food Policy Research Institute, and private U.S. consulting firms implementing the Agricultural Policy Analysis Project (APAP) -- all directly funded by EGAD/AFS, with supplementary funding on a buy-in or parallel funding basis from Missions and Regional Bureaus -- have collectively contributed to progress made toward this IR.

***Key Performance Indicators***

Increased yields and/or reduced production costs for targeted crops/commodities in selected countries.

Performance is on track and exceeding targets in some regions

***Impact of EGAD/AFS-funded or -managed activities***

Advances in EGAD/AFS-sponsored wheat and rice yields helped boost 1997 cereal production by 5 million tons (2%) in India, 2 million tons (7%) in Bangladesh and 0.5 million tons (18%) in Sri Lanka. Overall, wheat and rice varieties related to EGAD/AFS investments (over 20 years) were grown on over 100 million hectares in 1997. Total value added in 1997 by these advances is estimated at \$1.8 billion in wheat and more than \$3 billion in rice.

Higher yields also come from disease and pest resistance. EGAD/AFS investments in research on crops resistant to the destructive parasitic weed striga helped Mali and other Sahelian countries boost production of coarse grains by 20% in 1997. West African maize yields reached 250% of 1985 levels by 1997, tripling production in the same period. In 1997 in Mozambique, cereal production grew by 200,000 tons, or 15%. Across all developing countries, 1997 increased maize production related to EGAD/AFS agricultural research investments was worth \$1 billion.

In a number of countries in Africa, Latin America and Asia, 1997 benefits associated with improved peanut, cowpea, bean and mungbean yields ran into the tens of millions of dollars. G/EGAD/AFS activities have also developed and disseminated new, more efficient strains of the bacteria that allow legumes to "fix" nitrogen from the air. Used in more than 59 countries, these inoculants increased yields of legumes by 10 per cent on 100,000 ha worldwide. The value of the increased production in 1997 was over \$3,000,000.

High value commodity (fish, livestock, vegetables) investments are performing well in many countries although data are less reliable for these commodities. Recent sample data shows rapid adoption occurring of vaccines and animal husbandry systems that substantially increase meat and dairy productivity. EGAD/AFS fish farming contributed to 1997 being the first year since 1992 in which Asian fish production rose, despite a declining sea catch. This is an excellent example of how EGAD-AFS sponsored activities help relieve pressures on fragile and biodiversity-rich ecosystems.

Increased food production by region and country

**As reflected in the aggregate data, production increases have been uneven, with significant improvements in Asia and Latin America. Africa showed a mixed result, with an overall decline on average.** However, 1997 saw the beginning of an effort, under the President's Africa Food Security Initiative, to introduce proven hybrid crops in Africa. Legumes and vaccines for cattle, sheep and goats are reportedly having a positive impact on high-protein food supplies and the introduction of certain cultivar variants developed through biotechnology research promise future gains.

#### ***Staff Support: Highlights of 1997***

EGAD/AFS staff were active across a wide range of USAID, USG and multilateral efforts. Missions drew heavily on EGAD/AFS expertise in areas such as dairy development, biosafety, agribusiness and research capacity building. EGAD/AFS staff provided strategic

and technical expertise on CGIAR committees in areas such as governance, genetic resources policy and financial mechanisms, and were active in shaping a research agenda encompassing over \$300 million in non-USAID funding.

**IR 2.2: Policies and technologies that improve food access and agribusiness opportunities developed and adopted.**

"Improved food access" is defined as consumers' being able to acquire food, either through production or through purchase. Increasingly, with rising urbanization, consumers' food access depends upon efficient market operations and, often, post-harvest processing and storage by private, for-profit agribusiness firms. Even in Africa, the proportion of urban consumers is approaching the 40 percent mark and off-farm operations are critical to price determination as well as the quality of the food available to the consumer.

<b>Key Performance Indicators</b>	<b><i>Impact of EGAD/AFS-funded or -managed activities</i></b>
Reduction in proportion of income spent on food in selected countries.	Globally, food prices declined markedly from their unusually high 1996 levels. Representative data assembled by the World Bank for wheat, rice, and maize for the 1960 to 1997 period confirm this trend. In addition, based on the latest data available (1994), food became more affordable in 39 countries and rose in price in nine. The increases were confined to six countries in Africa and one in Latin America, Haiti. In Africa, drought and political instability led to higher prices in southern areas; in Haiti, a mix of political, economic and natural resource problems can be cited. Encouragingly, productivity gains led to downward trends in the real price of rice in India, the Philippines, Bangladesh and other Asian countries, in effect putting billions of dollars into the pockets of low-income consumers. The effect across the sector is even greater in combination with rising incomes since, in 1997 in the sentinel countries monitored by EGAD/EM, income growth was largely positive. Thus, the income share devoted to food could decline even faster.
Performance data for 1997 are not available	
Increased private sector participation in the economy.	Figures released in 1997 (covering parts of FY 1996 and FY 1997) show an 11.5% increase in U.S. direct foreign investment in food and agriculture in just one year, reflecting an improving policy climate. Looking across

Performance is better than expected for U.S. investment

developing country economies, U.S. private investment grew at rates that exceeded its growth in other geographic areas. In Africa alone, U.S. investment grew by almost 19%. Private sector investment within developing countries also increased substantially; figures released in 1997 show marked upward trends. In Egypt, for example, value-added activities more than doubled, from less than \$4 billion in 1980, to over \$8 billion in 1995. Increases during the same period in India exceeded \$25 billion, in Bangladesh \$2 billion, and in Peru \$2 billion, all fueled by increasing private investment.

It is clear that, at the level of primary production, the degree of openness of a nation's economy, reflecting improved policies, has a major impact. A critical case in point is fertilizer use, which EGAD/AFS partners have shown depends on efficient markets. World Bank figures released in 1997 show upward trends across all areas of the developing world except Africa, with fertilizer use more than doubling between 1980 and 1995 across low-income countries. Based on Freedom House's index of economic freedom and progress to date, developing countries are on track to achieve the intermediate result as an increasing number of favorable policies and technologies are put in place. This year, achievement of the target means that none of the countries have regressed from their rating in the 1995 baseline year.

Improved nutritional status in developing countries

During the 1990-97 period, the prevalence of underweight children was highest in South Asia (51%), followed by Sub-Saharan Africa (30%), East Asia and the Pacific (20%), the Middle East and North Africa (17%), and Latin America and the Caribbean (10%). The fact that South Asia, rather than Sub-Saharan Africa, has by far the highest proportion of underweight children may come as a surprise; South Asia also represents a larger population, which accentuates the problem. However, over the past 20 years, malnutrition rates have dropped in most regions of the developing world, including South Asia. *The major exception to the trend of improving nutritional status is Sub-Saharan Africa.* There malnutrition rates began to increase in most of these countries during the

early 1990s; they also went up sharply in Sudan and Yemen. Specific data for 1997 are, as of yet, scanty.

***Staff Support: Highlights of 1997***

EGAD/AFS provided critical staff support to the Inter-Agency Working Group for World Food Summit follow-up. Donor coordination efforts, with the EU (TransAtlantic Agenda) and Japan (Common Agenda) in particular, expanded beyond research cooperation to encompass crisis prevention and food aid codes of conduct. EGAD/AFS staff worked closely with G/PHN and PPC in developing food-based approaches to alleviating micronutrient malnutrition.

**IR 2.3: Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.**

In many developing countries, economic planners have a much greater interest in increasing economic growth than in protecting the environment. On the other hand, it is widely recognized that sound management of natural resources contributes to sustaining and even increasing agricultural productivity. The reality is that few poor countries have sufficient resources to address improved environmental protection as well as remediation at the same time. The resultant widespread land degradation and lack of fresh water contribute, in part, to the food production problem.

Because of these fundamental linkages, USAID's long term objectives in environmental protection, agricultural development and food security are highly interdependent. EGAD/AFS works to advance both the understanding and the application of conservation-agriculture linkages by funding research to solve specific problems, application of new information systems (GIS, nutrient dynamics) and support for policy reforms.

***Key Performance Indicators***

Reduction in water pollution and sedimentation of watersheds in selected countries.

***Impact of EGAD/AFS-funded or -managed activities***

Some surprising results are emerging. EGAD/AFS-generated technologies are: providing sustainable solutions for the pollution and loss of biodiversity-rich mangrove wetlands in Asia and Latin America; making the production of shrimp more sustainable; and reducing the need for pesticides through the development of genetically-resistant crop varieties

Anecdotal data from project sites indicates progress

Water pollution and environmental degradation concerns are incorporated through enhanced nutrient management in research programs developing new cultivars and through soil conservation techniques and programs associated with both IARC and CRSP work. Community-based institutions are demonstrating that they are capable of monitoring water quality both for erosion effects and health and sanitation, underscoring the relationship between agriculturally-related environmental health efforts and the achievement of non-agricultural objectives.

Improvements in land-use patterns in selected countries

Excellent progress is reported in several sites

In 1997, EGAD/AFS partners provided new evidence that farmers are responding to increased competition for resources by increasing, rather than decreasing, the number of trees in their agro-ecosystems. Positive impacts are being seen in highland East Africa (improved plantings), in the rainforests of Belize (better post-harvest practices), and Indonesia (integration of livestock and tree crops). In Colombia, EGAD/AFS activities are using farmer groups to create buffer zones protecting tropical forests; in one pilot effort, 200 hectares have been set aside due to increased productivity and market opportunities.

In addition, EGAD/AFS partners developed policy options that were widely adopted during 1997. In the area of land tenure, clearer title to land in Indonesia is helping to reverse past incentives favoring burning forested areas; a new tenure analysis is conserving the remaining rainforest in El Salvador. Policy interventions are also critical in economies in transition. In Albania, for example, EGAD/AFS partners are implementing a land registration system, leading to the beginnings of a land market in 1997.

At the same time, policy initiatives for water resource management are helping to increase efficiency--crop per drop--in Asia and Africa. Our water resource efforts also contributed to health outcomes beyond nutrition and food security. In Sri Lanka, altering the use and timing of irrigation canals destroyed the breeding grounds of the malarial mosquito vector, thereby significantly reducing malaria incidence.



### ***Staff Support: Highlights of 1997***

EGAD/AFS provided staff support to USAID Missions in the design and development of programs that further sustainable conservation and use of natural resources (under both ENV and EGAD SOs) in Rwanda and Haiti. EGAD/AFS also provided expertise to USAID/Kiev in the development of integrated pest management and pesticide regulation procedures, and to USAID/Macedonia for the design of an agricultural marketing project.

#### **IR 2.4: An information system established to enhance decision making for the agricultural sector developed and adopted.**

This IR reflects two assumptions: first, that providing useful information regarding the value of investing in agricultural technology generation, increasing production and improving processing and food delivery systems will increase those investments; and, second, that providing an empirically-based methodology for optimal management of scarce agricultural development resources will enhance the likelihood that the methodology will be used. The experience with the Soils CRSP-generated IBSNAT database and the African Famine Early Warning Systems (FEWS) decision support systems, as well as USAID's commitment to impact monitoring, underlies the design of more comprehensive information systems for agricultural and food security decisionmaking.

#### ***Key Performance Indicators***

Data and analyses from information systems support other IRs but progress reported here is qualitative in nature

Partnerships established with other stakeholders to develop global research monitoring system.

#### ***Impact of EGAD/AFS-funded or -managed activities***

In 1997, EGAD/AFS partners completed development of a decision-support system used to estimate income and trade impacts and spillovers across the Andean region. Working with public and private sector officials, they were able to integrate productivity data and GIS natural resource inventories to estimate income and trade benefits for coffee, cocoa, rice and potato, worth hundreds of millions of dollars. This directly supported IR 2.1 and 2.2, and helped focus investments in the most environmentally suitable areas (IR 2.3).

EGAD/AFS worked with the World Bank, Texas A&M University and the International Food Policy Research Institute (IFPRI) to pilot test a new system to monitor socio-economic and environmental impacts of EGAD/AFS sponsored technologies and policies. The first test was on control of Striga, a parasitic weed identified as a major constraint to increased grain production in Africa. The

	second relates economic outcomes to the development and adoption of smallholder dairy policies and technologies. Case studies were selected based on maximizing the engagement of other donors.
Draft indicator framework developed for food security performance monitoring system.	A series of indicators for monitoring food security and environmental impacts was developed integrating economic and biophysical modeling with a range of data covering climate, vegetation indices, production, consumption, markets and trade. Metastudies of economic analyses provided indicator framework covering the effects of: inputs, policies and institutions, climatic effects (drought, etc.) and war or civil disruption.
Data collection, analysis, and presentation standards established.	Two analyses of agricultural research impact studies were completed, providing standardized measures of internal rates of return (IRRs). For Africa, indicators of research capacity and activity were developed, and analyses across the literature showed IRRs of 20-30% per annum. A second metastudy of 300 impacts analyses across all developing regions showed IRRs of 58%, and very significantly, no diminution in rates of return over time.
Other donors contribute resources to the global information system and benefit from results.	Discussions with other donors indicated significant interest; Japan is contributing directly, and the World Bank is providing staff support to EGAD/AFS systems development effort.
	<b><i>Staff Support: Highlights of 1997</i></b>
	EGAD/AFS provided staff support to USAID engagement in a number of new, information-related activities. Following the World Food Summit in early FY 1997, we provided USAID's link to the implementation of a Food Insecurity and Vulnerability Mapping System at FAO. EGAD/AFS staff also worked extensively with World Bank, GTZ and other donors in developing an agreed framework for research project indicators and benchmarks, drawing on USAID experience in log-frame analysis.

### **C. Expected Progress Through FY 2000 and Management Actions**

Although global overall per capita food production trends have been positive over time, their continued growth is more uncertain than might be wished, especially in Africa and some very populous and poor parts of Asia. Declines in agricultural research investments over the last 10 years are expected to result in slowed generation of improved technologies and policies. Therefore, past rates of production increases may not continue to hold; we are already seeing evidence of this in the slowing of the decline in real food prices in developing countries. These changes will have an inevitable, negative effect on food security.

*In making projections through 2000 (based on the average increase from 1988-97) we have, therefore, reduced the projected rate of increase by 25%. The result is a positive set of coefficients for all developing nations (+1.6%), Asia (+2.1%) and Latin America (+0.7%), but a negative index for Africa (-0.1%). In the case of Africa, however, we have elected to utilize a larger negative figure (-0.4%) which has been used by the U.S. Department of Agriculture's Economic Research Service in a recent set of projections. However, even this larger number may be, in their opinion, optimistic; we will continue to closely monitor and assess this coefficient, especially in Africa.*

In an effort to address this expected situation, we will contribute to the Agency's new African Food Security Initiative (AFSI) by establishing, in FY 1998, a competitive grants program to deploy U.S. university expertise in a joint effort with IARCs to overcome key problems facing African agriculture. We will also explore the extent to which private-public partnership activities might usefully mobilize additional funds for food security. However, fuller participation in the AFSI, beyond the substantial EGAD/AFS activity already underway in the region, is unlikely without provision of additional funds in FY 1999.

A related area of high priority to the Agency is natural resource conservation and environmental protection. EGAD/AFS has actively expanded this dimension of its portfolio, including engagement of IARCs, CRSPs and policy efforts. Nominal funding for the office has sharply declined, severely limiting our ability to pursue, soil, water and biodiversity conservation goals which are integral to agricultural development and sustainability. Nevertheless, our position remains that IRs 1 (productivity) and 3 (conservation) are inextricably linked, and we will continue to maximize the relevance of all our efforts to protection and enhancement of the natural resource base.

With respect to staffing, EGAD/AFS has contracted its direct-hire technical staff to a point at which further reductions would cripple the office. Working closely with USDA and other institutions, we have been able to compensate for declining in-house capacity by drawing on excellent technical staff. However, continued reduction of program and OE funds will erode our ability to support Missions, Regional Bureaus, and USAID's development agenda with other agencies and donors.

**SPO4:**        *Increased Science and Technology Cooperation among Middle Eastern and Developing Countries, and Utilization of U.S. and Israeli Technical Expertise by Developing Countries*

**A. Overview and Factors Affecting Program Performance:**

Three programs support this Special Strategic Objective:

- the U.S.-Israel Cooperative Development Program (CDP);
- the U.S.-Israel Cooperative Development Research Program (CDR); and
- the Middle East Regional Cooperation Program (MERC).

CDP is implemented by MASHAV, the Israeli development cooperation agency. MASHAV uses USAID funding to train developing country agriculturalists in both Israel and their home countries in irrigated crop production and dairy management.

The CDR and MERC programs sponsor collaborative research involving scientists from Israel, the U.S., Middle Eastern countries and the developing countries of the world in agricultural, natural resource, health and social sciences. Results of this cooperation have included improved agricultural production technologies for irrigated agriculture, advances in saline agriculture, improved water management technology for agriculture, improved biopesticides and their management, enhanced understanding of leishmaniasis and leprosy, and improved systems for natural resources and wildlife management.

**B. Performance Monitoring**

Program performance is critically affected by tension in the Middle East, constraining collaboration between scientists from Israel and Arab countries. In addition, restrictions on funding activities directly with the Palestinian Authority constrain the MERC program. As a result, the number of potential linkages, especially in the Middle East, are reduced in number and effectiveness. Furthermore, both the CDP and CDR programs carry out activities in the Central Asian republics and are dependent on donor restrictions to the former Soviet Union, political events affecting the acceptance of Israel in historically Muslim countries, and institutional and administrative weaknesses in the assisted countries.

Periodic progress reports are required for all three programs; in addition, EGAD evaluates projects or groups of projects for their impact, and we carry out an annual consultative process on CDP with the Government of Israel. While these activities allow us to monitor progress under the three programs, it is also worthwhile to note that USAID's Center for Development Information and Evaluation (CDIE) evaluated the MERC program in FY 1997. **It found that this program contributes to the Middle East peace process by building peaceful relationships in the region.**

**Field Support:** While there is no requirement for EGAD support to field missions or regional bureaus under these programs, the research guidelines which are developed and published annually for CDR and MERC are used by EGAD to address, and respond to, development interests in both the ANE and ENI Bureaus. For example, in response to a recent emphasis on addressing the problem of desertification, the MERC program guidelines for FY 1997 and FY 1998 encourage joint proposals from U.S. and Israeli investigators in this area.

**Research:** As shown by the CDIE evaluation, the results of the research being funded under these programs – but especially CDR and MERC – are having an impact on the spread of appropriate technology in a wide variety of agricultural, biological and health areas. As such, they help transfer new techniques and technologies among the countries of the region and the U.S.

### **C. Expected Progress Through FY 2000 and Management Actions**

Through FY 1999, EGAD expects to increase the number of regional workshops and meetings involving participants in all three programs to strengthen technical and scientific linkages among program beneficiaries. EGAD will also require an increased number of personnel exchanges and jointly authored publications.

EGAD expects that the CDP will sustain its overall number of trainees and technical consultancies, while steadily increasing the number of such activities involving neighboring countries in the Middle East, including participation by those in the area of the Palestinian Authority. It is planned that USAID funding for this program will gradually be phased out as the Israeli's are capable of sustaining the program on their own.

Program sustainability assumes continued funding at current levels with, however, a switch in the source of funds from DA to ESF for CDR/CDP in FY 1999 and beyond. Interruption of the Peace Process will likewise impact negatively on all three programs, impeding the attainment of program objectives.

**USAID Objective 1.3:**      **Access to economic opportunity for the rural and urban poor expanded and made more equitable**

**SSO 1:**            *Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor*

### **A. Overview and Factors Affecting Performance**

In July 1997, USAID renewed the Microenterprise Initiative for an additional two years (1997 and 1998), committing itself to: obligate at least \$120 million for microenterprise activities agency-wide; continue mainstreaming operations to the field while maintaining a strong central office; and, increase activities in the Africa and ENI regions. The Office of Microenterprise Development in the Center for Economic Growth and Agricultural Development (G/EGAD/MD) plays three key roles in implementation of the Initiative, EGAD/MD supports:

- Increased capability of financial and non-financial institutions to service microenterprises (IR 1.1)
- Increased capability of financial and non-financial institutions to service microenterprises (IR 1.2)
- Expanded dissemination of best practices in USAID-supported programs and in the microenterprise development field (IR 1.3)

It is clear that EGAD/MD's efforts and those of other donors and the nongovernmental community are having a significant widespread impact. USAID funding for microenterprise development programs in 1997 was the highest ever, over \$160 million -- compared to just over \$110 million in FY 96. Worldwide, USAID microenterprise programs supported with FY 96 funds reached nearly 1 million households, or about 5 million people, and had lending portfolios totaling more than \$300 million. Each of these one million loans spells increased economic opportunity for very small entrepreneurs. More importantly, these numbers reflect solid growth in the capacity of financial and non-financial organizations (both banks and non-banks) to serve these clients' financing needs on a sustainable basis. Quality standards for the financial management of microfinance institutions (MFIs) supported by USAID appear to be met with increasing frequency. They are: setting interest rates and fees to fully cover costs, control loan delinquency, and achieving full financial sustainability within seven years.

Following the lead of the U.S., a number of donors, both multilateral (the Inter-American Development Bank, the World Bank, and the African Development Bank) and bilateral (Great Britain, Canada, Australia, France, Germany and the European Union) are increasing their support in this field. This increase in donor funds has been a double-edged sword; while it has led to a mushrooming of programs -- and loan capital -- in all regions, it has also created some disincentives for new MFIs to pay attention to the quality standards which USAID endorses. However, the World Bank's Consultative Group to Assist the Poorest (CGAP), a 25-member donor group, which USAID was instrumental in establishing, is proving to be an excellent vehicle for donor coordination and has made obvious progress in the setting of *common* donor standards for microfinance investments. A new entry into the field is the UNDP's MicroStart fund.

Operationally, the microfinance field remains dominated by a few "giants", but thousands of small programs are struggling to achieve minimal levels of scale and sustainability and we are observing a new, second generation of institutions which have surpassed the "10,000- active clients" threshold. In Latin America, commercial banks and

finance companies are entering the microfinance field. Facing heavy competition as financial markets are liberalized, and in a search for profitable market niches, they have noted the exceedingly high repayment rates by poor borrowers of tiny loans. Whether commercial institutions can become the main providers of microfinance for the self-employed poor in the future is still an open question. But a trend in this direction appears to be emerging. EGAD/MD is also aware of the need for improved governance and ownership structures in MFIs, especially where such structures are generally poorly-defined and are tied to grant assistance funds rather than to private at-risk capital.

**EGAD/MD's technical leadership is exercised through management of competitive grant programs and through collaboration with other microfinance advocates...**

The Implementation Grant Program (IGP) and PRIME Fund grants, two competitive grant mechanisms managed by EGAD/MD on behalf of the Agency as a whole, result in increasing client services as new MFIs are helped to enter the field, more established MFIs scale up their programs, and all are assisted to address critical sustainability issues. Generally weak management structures still characterize many current and prospective implementers, so the EGAD/MD-managed MicroServe and Best Practices programs develop institutional capacity by disseminating lessons learned and providing direct technical assistance and services to microfinance institutions and Mission staff. The fifth activity component of the EGAD/MD package -- the AIMS program -- helps MFIs understand their clients in order to better adapt their products and services.

**as well as by working closely with Missions and regional organizations to support activities in the field...**

In FY 1997, the IGP criteria gave preference to proposals from Africa and the NIS. This led to the development of 6 new programs in those regions.

EGAD/MD office staff expended 792 person-days in field support activities, both in the field and through virtual communications. Of these days, 444 were spent in the field (242 in Africa, 124 in ANE, 36 in ENI and 41 in LAC) and 348 were spent through providing assistance through the e-mail (102 days in Africa, 102 days in ANE, 8 days in ENI and 136 days in LAC). EGAD/MD also invested staff time in teaching and curriculum improvement for the microfinance training program at the Economics Institute, Boulder, Colorado. This has had significant payoffs in strengthening Mission and NGO capacity as more than 250 people attended the course in 1997.

**and informed by cutting-edge research on best practices and impact measurement.**

The Internet-based initiative in microenterprise best practices has been highly successful (see: [www.mip.org](http://www.mip.org)). It is receiving an average of 62 hits per day, and over 65 publications on the homepage are being downloaded regularly. In the 12 month period since April 1997, browsers downloaded briefs produced by EGAD/MD staff 6,908 times, briefs produced under the AIMS contract 7,489 times, and three publications under MBP 8,645 times. The homepage was also the recipient of an award from a development economics institute that surveys homepages.

Three themes characterize the current best practices research agenda: commercialization of microfinance; business development services; and, institutional development and client services. 1997 publications include:

- Managing Growth: The Organizational Architecture of Microfinance Institutions
- Commercial Banks in Microfinance: New Actors in the Microfinance World, and
- Microenterprise Business Development Services: Defining Institutional Options and Indicators of Performance

In the area of impact measurement, USAID has continued to provide leadership through the AIMS program. In 1997, AIMS led the organization of a virtual meeting of academics, donors and practitioners on credible methods of assessing the impact of microenterprise programs and has contributed to the development of the growing consensus in this area.

## **B. Monitoring Performance**

As the lead organization within USAID tasked with implementation of the Microenterprise Initiative, EGAD/MD tracks the Agency's performance on microenterprise development and microfinance lending. Two performance indicators are of critical concern both to the Agency and the nongovernmental organizations led by the Microenterprise Coalition and the RESULTS lobbying group: (1) number of active borrowers in USAID-assisted Microenterprise (ME) programs worldwide; and (2) percentage of women clients in USAID-supported ME programs worldwide. A third indicator, the number of loans made which are \$300 or less (so-called "poverty lending") is also an important indicator that the poverty focus of microenterprise lending has been met. As pledged by the Microenterprise Initiative, the first indicator must grow by at least 15 percent per year; for the second, over 50 percent of the clients of the institutions supported must be women; and, the third indicator sets the number of clients receiving "poverty loans" Agency-wide at two-thirds.



Because these impact indicators must be reported by widely-dispersed implementing organizations up through Missions, there is a substantial lag in our ability to report the numbers achieved. In FY 1996, growth in the number of active borrowers exceeded projections. Based on trends observed prior to 1993, and lacking survey data for the intervening years, the projected number of clients was expected to surpass 385,000. In fact, the actual number was two and one-half times greater (982,000). Sixty percent of the FY 1996 borrowers were women, significantly exceeding the target of 50 percent. Of the 982,000 clients that received microloans, 88.7 percent received loans valued at or under \$300, thus exceeding the two-thirds target. The average loan size worldwide was just \$307. Data for FY 1997 is currently being collected for *all* USAID-assisted microfinance programs which are active, not just those receiving funding in FY 1997. This survey is expected to yield considerably higher numbers.

### **IR 1.1 Expanded Delivery of Financial Services to Microentrepreneurs**

More detailed performance indicators are needed to track progress made in the delivery of services when one of the purposes of USAID assistance is, as it is in the IGP and PRIME programs, to increase the scale of microenterprise institutions. We have dropped one of the indicators used in last year's R4, as it proved to be difficult to track and measure accurately and provided no value to assessments of activities funded.

#### ***KeyPerformance Indicators***

#### ***Impact of Microenterprise Initiative***

Number of active borrowers

In FY 1997, the number of active borrowers under our direct IGP and PRIME programs reached 515,349, significantly exceeding our Intermediate Result target of 364,326.

Percentage of women borrowers

Similarly, the percentage of women borrowers was exceeded by 5 percentage points (80% of clients as opposed to 75%).

Number of savers

In addition, the number of savers reached 738,483, surpassing our target of 590,000.

#### ***Staff Support: Highlights of 1997***

In 1997, six pre-award assessments were conducted by EGAD/MD staff to determine the feasibility of IGP grant awards which would expand delivery of microfinance services. The assessments were conducted in Kenya (FAULU and WOCCU), Mali (Kafu Jigineo and

Nysigiso), Bolivia (PROMUJER), and Poland (ACDI/VOCA). These assessments led to the award of four IGP grants. Two additional grants were made under IGP to FINCA in Tanzania and Peoplink for Internet-based activities in Guatemala and the Philippines. With the exception of Peoplink, all grants are expanding the delivery of financial services to poor microentrepreneurs. Peoplink is an experimental non-financial services program which expands artisan sales through Internet-based catalogs.

In addition to the IGP, staff was engaged in a number of field support activities that will lead to increased delivery of financial services and, possibly, to FY 98 or FY 99 PRIME requests. They were:

***Tanzania:*** Development of a microfinance strategy for the USAID Mission in Tanzania. The strategy, which will unfold in FY 98 and FY 99, is based on the successful experience in Uganda, but adapted to the Tanzanian context.

***El Salvador:*** Design assistance for the Increased Coverage of Sustainable Financial Institutions in Rural Areas results package, which led to the development of a new \$15.0 million microfinance program to strengthen local organizations.

***Nepal:*** Design of the economic component of the Empowerment of Women strategic objective, which led to a \$3.7 million commitment to support a microfinance program.

***Ukraine:*** Design of a microenterprise development program, leading to the commitment of \$4.0 million in USAID mission funds.

## **IR 1.2            Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises**

This IR focuses on the capacity of institutions to provide microenterprise services. Through specific indicators, we seek to determine whether institutions are: making progress towards covering their costs; managing their loan portfolios properly; and, meeting their client outreach targets.

### ***Key Performance Indicators***

Number of operationally sustainable institutions: target - 15

Portfolio at risk (USAID policy calls for it to be below 10%)

Number of institutions meeting client outreach targets: target - 17

### ***Impact of the Microenterprise Initiative***

Based on 1996 projections we estimated we would have 15 operationally sustainable organizations. The actual number was 18, surpassing the target.

Portfolio at risk among all IGP-supported institutions averaged at 6%, down from a 10% rate one year earlier.

Similarly, EGAD/MD targets regarding the number of IGP and PRIME-supported institutions which exceeded client outreach targets were surpassed. Twenty-one institutions out of 46 exceeded their targets, against a planned 17.

### ***Staff Support: Highlights of FY 1997***

***Cambodia:*** Developed a microfinance strategy for Cambodia, creating a donor consortium to establish ACLEDA as the first microfinance bank in Cambodia.

***Morocco:*** Developed a four-year microfinance strategy for the USAID mission which has contributed to the policy dialogue between the Mission and the GOM and was instrumental in the development of business plan for a local microfinance NGO.

***Other Assessments:*** Contract personnel also conducted assessments of local institutions in Ghana, Bolivia, Peru, Sri Lanka, Ecuador, Dominican Republic, El Salvador, and Jamaica, that led to a variety of institutional strengthening recommendations. In two cases, the assessments helped the local institution prepare a feasibility study for a new banking license.

## **IR 1.3      Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field**

This IR focuses on the actions taken by EGAD/MD in support of improved best practices in USAID-funded programs. It also includes a qualitative technical leadership component which seeks to increase best practices among donors and practitioners and move the microenterprise field forward.

***Key Performance Indicators***

***Impact of the Microenterprise Initiative***

Number of institutional assessments conducted: target - 15

As noted in the tables showing the first three (quantitative) indicators, actual performance exceeded planned levels by significant amounts. The number of institutional assessments reached 28, principally due to increased Mission interest in the Microserve IQC.

Number of best practices conferences and training events: target - 5

Similarly, the number of best practices conferences and training events exceeded the target by over three times, given an increased level of activity among the MBP, AIMS and Microserve contracts. The Economics Institute course in Boulder continues to be a popular summer course and we have anecdotal evidence of its impact. COMPARTAMOS is a Mexican village banking program which, in five years, has become the largest village banking program in the world with 37,000 rural clients. Its managers ascribed their vision and strategic planning capacity to their participation in two of the Economics Institute's courses.

Number of Missions served through G/EGAD/MD programs

The number of Missions served through EGAD/MD staff and programs increased to 34 over last year's 25. This is both due to a concerted effort to expand our support to selected African countries, as well as increased activity through the office's contracts.

Technical leadership exhibited by G/EGAD/MD (qualitative)

As the fourth indicator is qualitative in nature, there is no associated table in Annex B. Results in FY 1997, however, show that EGAD/MD, and the Agency, has retained its leadership role among donors. The Office's Director, as a renowned expert in the field, represented USAID and served as co-chair for the renewal of the Consultative Group to Assist the Poorest visibly demonstrating USAID's leadership among the 25 donors which are CGAP members. In addition, EGAD/MD office staff also played a leadership role in CGAP's working groups, as well as a number of international fora,

such as the Donor Committee Meetings on Small Enterprise Development and Financial Sector Reform, the International Conference on Microfinance in Frankfurt, and the World Bank's Technical Assessment Workshop in Tanzania.

***Staff Support: Highlights in FY 1997***

***Commercial Banks Paper:*** An EGAD/MD staff member co-authored a paper on commercial bank involvement in microfinance. The paper reviews the services banks are offering microentrepreneurs, some emerging best practices, and the obstacles banks face as they downscale their products to reach this new market niche. The paper has been disseminated widely, principally through the Internet home-page, and has been translated into Spanish.

***Training:*** EGAD/MD staff participated in a variety of panels and training sessions to disseminate best practices in microfinance. They included, among others, sessions at: the Microcredit Summit, the Economics Institute, the African Mission Director's conference, and the Microfinance Network conference. ***Institutional***

***Assessments:*** Staff conducted four field assessments to monitor program progress and determine compliance with best practices. They were: World Relief in Cambodia, Katalysis in Honduras, FINCA in Malawi, and VITA in Morocco.

**C. Expected Progress Through FY 2000 and Management Actions**

Performance on the lending side of the portfolio is largely a function of the amount of resources devoted to it. The demand for capital for microlending significantly exceeds the amount of capital available from donors to the subsector. However, organizational performance is an important aspect of the Microenterprise Initiative; organizational capacity is clearly growing but requires time. As noted above, EGAD/MD is concerned that excessive amounts of grant financing do not encourage unsustainable lending programs to be established. The inevitable collapse of such programs always leaves the borrowers worse off and sets precedents which make subsequent efforts more difficult.

While funding levels for the Office of Microenterprise Development are expected to stay constant at around \$25 million for FY 1999 and FY 2000, this amount comes exclusively from a "taxation" of regional bureau budgets. This is problematic, as EGAD/MD

implements activities of a global nature (such as research, support of CGAP, etc.) that cannot be easily allocated to a particular region in keeping with the amount of funds “taxed” from each regional bureau. The Agency needs to ensure that funds allocated to EGAD/MD will not be artificially constrained as to where they can be used; to do otherwise risks jeopardizing the progress we have demonstrated can be achieved by this program.

Moreover, with EGAD/MD's IGP and PRIME Fund programs in full swing, staffing levels are now stretched thin to provide the kind of oversight and assessment services which they require. Additional requirements under NMS, such as assuming certain programming and accounting functions, have put an extra burden on staff at the same time that our field support requirements in Africa and the NIS have increased and we have lost one USDH position in Washington. Processes are underway to bring on two additional RSSA personnel to provide field support and contract management assistance. Finally, the low availability of OE travel funds is also a serious constraint for a technical office such as EGAD/MD. An inability to provide field support with direct-hire staff, or constraining participation in the type of international fora detailed above, negatively impacts our success in mainstreaming microenterprise programs within the Agency. We are encouraged, however, to see the number of new Missions starting or expanding microenterprise programs and are exploring cost-effective ways to equip Mission staff to assume greater responsibility for strengthening and expansion of local programs.

**SPO1:       *Better Access to Finance, Technology and Information for Microenterprises and Small Businesses***

**A. Overview and Factors Affecting Program Performance**

Under the direction of the Credit and Investment Staff (EGAD/CIS), the Micro and Small Enterprise Development (MSED) Program increases the amount of credit available for microenterprises and small businesses through the formal financial sector. The MSED Program: mobilizes credit for microenterprises and small businesses by providing Loan Portfolio Guarantees to banks interested in reaching this market niche; develops innovative financing mechanisms, such as doing bond guarantees for banks issuing equity to raise capital; and strengthens the capacity of indigenous financial institutions to engage in micro and small business lending by providing training and advisory services. The MSED Program was created in recognition of the vital role that micro and small enterprises (MSEs) play in the development process, and in response to financial market imperfections which, in many developing countries, inhibit the growth and expansion of these businesses.

MSED also is a key and cost-effective vehicle for advancing the Agency's microenterprise objectives. Through partial Loan Guarantee mechanisms and training, MSED addresses institutional constraints to the financing of microenterprises, and does so in a way that leverages scarce development assistance resources.

In addition to MSED, EGAD/CIS has played an important role in supporting the innovation of the Development Credit Authority (DCA).

**Technical leadership has resulted in new facilities....**

While the Loan Portfolio Guarantee program has proven to be effective, in FY 96, EGAD/CIS developed new MSED initiatives on increasing involvement of NGOs and PVOs (collectively, Microenterprise Finance Institutions, or MFIs) in offering market-rate credit to microenterprises and small businesses. MSED has also established direct links between International Financial Institutions and microenterprise and small business borrowers, particularly to help MFIs shift their sources of funding from 100% grants to a mix of grants and market-rate financing and, eventually, toward fully sustainable activities. In FY 97, MSED innovated bond guarantees to banks in Bolivia (BancoSol) and Guatemala (Banco Empresarial) that allows those banks to raise funds to increase their lending in the MSE sector.

EGAD/CIS has also directed the MSED Program toward other innovative uses of guarantees to mobilize credit for microenterprises. These include offering a guarantee to a microenterprise guarantee fund for Latin America and the development of a "portable" guarantee for microenterprise finance institutions seeking to borrow at commercial rates from established financial institutions.

By the end of FY 97, 45 financial institutions in 20 countries, not all with USAID Missions, were participating in one or more of the MSED facilities.

**Implemented with field support services.**

In conducting its FY 1997 MSED activities, CIS staff spent more than 167 days on TDY in over 25 countries. During this time, support was provided directly to mission staff and to personnel in intermediate financial institutions (IFIs) in: reviewing the status of existing MSED credit facilities, and examining opportunities for expanding MSED activities.

In FY 1997, MSED conducted five bankers training courses in four countries (Indonesia, Kenya, South Africa and Lithuania), involving 90 trainer days in the field.

**B. Performance Monitoring**

EGAD/CIS's automated Performance Monitoring and Control Information System (PMCIS) has been in operation for the past four years and is used to organize previously-

collected data in a logical format to facilitate our assessments of development performance. **Data reported by missions and intermediary financial institutions (IFIS) indicate that EGAD/CIS is meeting its planned FY 1997 program goals.**

## **IR 2.1            Create Linkages Between Financial Institutions and Micro and Small Businesses.**

This IR seeks to increase the number of loans being provided by IFIs to micro and small businesses and, within that increase, to provide loans of a smaller size. As with the reports on microenterprise programs managed by EGAD/MD, the last year of complete information available is FY 96.

### ***Key Performance Indicators***

Size of small business loans.  
Target for FY 97: \$7,900

### ***Impact of MSED Facilities***

The average annual number of loans guaranteed from FY 93 - FY 95 was 3,400. The number guaranteed in FY 96 was 3,521. Average loan size decreased from FY 88 to FY 94, but since FY 94 has risen from \$5,544 to \$6,829 in FY 96. ***In FY 97, estimated average loan size was \$6,159, showing movement in the right direction and*** better than anticipated. Median "micro" loan size (defined as less than \$5,000 and which account for more than 80 percent of loans) was \$454.71 in FY 96, up from \$293. The median for "small" business loans (between \$5,000 and \$150,000) rose from \$1007 in FY 95 to \$3,728 in FY 96. FY 1997 data available shows that the average size of loans in that year was significantly smaller than planned, indicating excellent progress toward our goal.

### ***Other Indicators***

Number of first-time borrowers

This indicator shows steady progress in opening up the financial system to new borrowers. First-time borrowers were 36.7 percent in FY 93; 73.5 percent in FY 94; 79.12 percent in FY 95; and 82.8 percent in FY 96.

Collateral requirements

This measure of perceived risk indicates that financial institutions receiving guarantees from MSED are increasingly comfortable in lending to the micro/small sector. Collateral requirements in FY 93-94 averaged over 50 percent but were 29 percent in FY 95 and 32 percent in FY 96.



Asset size	Borrowers in MSED-guaranteed programs in FY 96 had assets just under \$17,000. There has been little change in this number over the years, although the average net asset size in FY 95 was slightly lower (\$14,000) and in FY 93 somewhat higher (\$20,000).
Share of loans made to majority women-owned or -managed business	In FY 96, 33 percent of loans were made to majority women-owned or -managed businesses, about the same as in FY 95.

## **IR 2.2      Encourage Indigenous Financial Institutions to Increase Lending to Micro and Small Businesses**

Progress under this IR has been below planned target levels. While MSED is the successor to a longstanding Small Business Loan Portfolio Guarantee Program, LPG projects which were under-utilized or not considered essential to a USAID Mission's portfolio were terminated on September 30, 1993. In FY 1994, however, the MSED/LPG Program was redirected to focus on providing credit for microenterprises. Such a shift in program emphasis required a more intensive marketing effort to identify appropriate financial intermediaries to engage in lending to this sector. At the same time, these types of guarantee projects experienced even longer than usual time lags before utilization by the IFI began (utilization is generally highest beginning in the third year). (Note: "Utilization" is defined as the total amount of loans disbursed compared to the amount obligated, or outstanding guaranteed loans compared to maximum covered portfolio amounts.)

As a result, in FY 1997, the MSED Program saw utilization rates that reflected the fact that a number of its LPG facilities were relatively new. Moreover, utilization for new facilities in ENI countries has been low, while leasing facilities in Asia have encountered difficulties under the applicable transaction and asset ceilings. These factors have adversely impacted the overall utilization rate for the MSED Program, and has caused a lower than projected utilization rate for the entire portfolio.

### ***Key Performance Indicators***

### ***Impact of MSED Facilities***

Utilization rates

Target rate in FY 97, 40 percent

Utilization of fund commitments associated with MSED guarantees was 24 percent in FY 97, up from 22 percent in FY 96, down from 30 percent in FY95. ***Utilization was lower than anticipated given the number of new facilities brought into the LPG program in FY 96/97.*** When facilities which have been in operation less than a year are not included, rates generally go up.

### ***Other Indicators***

Cumulative use of funds

As of the end of FY 96, cumulative credit mobilized through MSED active facilities was \$78.6 million.

Risk of Facilities in Program

EGAD/CIS reviews each proposal with respect to both risk and development impact. As of the end of FY 96, 7 percent of commitments were in low risk facilities, 67 percent were in medium risk facilities, and 26 percent were with high risk facilities.

## **C. Expected Progress Through FY 2000 and Management Actions**

Continued progress in meeting performance targets depends on the availability of sufficient amounts of operating expenses, program funds, and subsidy appropriations. Without them, there would be no direct loans or portfolio guarantees supporting micro and small business lending, nor would there be the direct hire and contractor support staff to manage our credit facilities effectively.

Two positive developments in late FY 1997 will pay dividends in future years. One was the approval for EGAD/CIS to hire an Investment Officer for the LAC region. This position had been vacant for nearly two years, resulting in relatively few new MSED facilities in that region. The second was the hiring of a credit management specialist as part of the Agency's Credit Management Improvement Action Plan.

**SPO2:**       *Enhance the Ability of Indigenous Business to Become Viable within Emerging Markets*

**A.      Overview and Factors Affecting Performance**

This Special Objective is managed by EGAD/BD; implementing partners are Appropriate Technology International (ATI) and the International Executive Service Corps (IESC), as directed by Congressional report language. Both the IESC and ATI programs work with indigenous businesses in a number of countries. ATI tends to work with smaller companies and groups of microentrepreneurs, while IESC tends to provide its services to firms in the small-to-medium range. In FY 97, both programs have undergone significant changes which are designed to improve their efforts at self-sustainability, and their impact on the Agency's development agenda.

EGAD/BD has begun to restructure IESC's cooperative agreement to eliminate the traditional central funding for core support of its bilateral programs. This will allow EGAD/BD and IESC to collaboratively program IESC expertise in a focused manner, while developing new products and services which can be tailored to regional and country needs. As appropriate, these would include development of Internet-based business diagnostics support, IESC assistance to, and teaming with, indigenous business consultant organizations, and, consequently, a more focused delivery of business consultative services.

In FY 1997, following intensive discussions with EGAD/BD, ATI submitted a re-designed plan of action, including a phase-out of direct USAID core support. ATI intends to use future USAID funding to broaden its funding base. In developing this new plan of action, ATI undertook an intensive review of its core competencies, reducing both its technical and regional areas of involvement, helping to both sharpen its focus and reduce its overhead expenses.

**Technical Support  
for business  
development is in  
demand...**

Working with EGAD/BD as well as with Missions, both IESC and ATI have continued to be major actors in the provision of technical expertise in business development in developing and transition countries in FY 97. IESC has bilateral agreements in 18 developing nations, and fields consultants on a fee-for-service basis to an additional 37 countries. IESC also serves as the primary business expertise resource in support of EGAD/BD. Similarly, ATI has moved the core of its expertise from the technology aspects of business development to the delivery of other business support services. This has increased its relevance and usefulness to Agency development efforts among traditionally underserved economic groups.

**so Field Support**

IESC, through an innovative agreement with Programa Bolivar, is currently providing field support services throughout Latin America.

**is needed.**

In addition, it has developed follow-up expertise in business promotion in Eastern Europe and the NIS, as well as in Egypt and South Africa, making it a high-demand service provider among an increasing number of missions.

**Operational research improves quality.**

Currently, IESC is carrying out field/operational research on more effective ways to follow-up on business promotion efforts. In addition, it is developing new delivery mechanisms to further exploit its base of voluntary executive talent. For instance, the program in Egypt has developed Centers for Quality Assurance to assist over 200 Egyptian companies meet ISO 9000 quality standards to increase their productivity and competitiveness.

## **B. Performance Monitoring**

During FY 1997, *IESC and ATI both met or exceeded their planned performance targets*, resulting in very satisfactory progress toward attainment of this special objective.

### ***KeyPerformance Indicators***

### ***Impact of IESC/ATI Operations***

IESC: number of assignments and impact

In FY 97, IESC conducted over 1,200 long-term assignments, stimulating over \$200 million in sales, \$70 million in capital development, and over \$20 million in reductions in costs of doing business. These services resulted in the creation of 4,000 jobs, with an additional 21,000 jobs saved. The IESC Public Administration program has trained more than 300 local municipal public officials. And, in Panama, at the request of USAID, IESC is assisting in the reversion of military assets associated with the Panama Canal by developing private joint ventures between local businessmen and U.S. companies. Overall, IESC's contributions to the Agency's development agenda were outstanding during the period under review.

IESC: development of indigenous business consultant networks

IESC has developed indigenous business development consultant networks in several countries (Egypt, Mexico, Russia, Czech Republic, Sri Lanka) which are electronically linked to their IESC counterparts in the U.S. As a result, IESC can provide services much more quickly, on a much lower cost basis, and with few or no language barriers.

ATI: greater focus and cost reductions

In the process of reducing its areas of technological involvement from 16 to 6, and the number of countries in which it is active from 23 to 11, ATI has very effectively reduced its costs. In addition, for the first time in recent memory, they have been able to attract significant outside funding from private sources, demonstrating that their core concept and program have sufficient appeal, likely making their self-sufficiency efforts viable. Even though a transition year from one method of operating to another, ATI still met its goals for this fiscal year.

### **C. Expected Progress Through FY 2000 and Management Actions**

Assuming sufficient funding is forthcoming, EGAD/BD and IESC will fully convert the current "core funding" cooperative agreement to a broad-based business development support grant which will function worldwide. Such a grant will cover a wide range of business issues and will facilitate EGAD/BD testing of new approaches to business support service delivery. In addition, working in concert with Programa Bolivar, IESC is expected to develop an active business opportunities referral system for Latin America, which is anticipated to yield up to ten joint ventures per year.

EGAD/BD anticipates that ATI will be able to finalize and gain approval for its five-year fund-diversification plan and be successful in raising \$600,000 annually in private funding for its organization and activities. However, G/EGAD's budget will not likely be able, as currently projected, to accommodate the kind of forward-funding which ATI has proposed to serve as transition funding while they implement their diversification plan. ATI's dependence on USAID funding is such that EGAD/BD is prepared to work closely with ATI, Missions, and the managers of USAID/BHR/PVC's competitive and matching support programs for private voluntary organizations in order to identify longer-term support from within USAID as well as outside of it.

### **Part III: Status of the Management Contract**

The Economic Growth and Agricultural Development Center has an approved Management Contract with the Global Bureau. The Contract approves the overall strategy of the Center and its three Strategic Support and four Special Objectives. The Bureau approved the results framework subject to the successful negotiation of OE levels which may affect the distribution of OE and staffing levels within the Bureau.

Our resources, that is, OE funding and staffing levels, were discussed at length at the time of the contract negotiation and it was agreed that resource constraints will continue to be problematic for the Center. We have, however, used the agreed-upon annual average Management Contract level as our base level for FY2000. We note that it is ***66 percent higher*** than the planned FY99 level!

Performance summaries were also discussed for each Strategic Support and Special Objective. There was agreement that the Center would review certain performance indicators and modify those which did not clearly link the activity to the SSO or SpO, and develop new ones which would provide a better empirical basis and be more suitable for the ranking process. These changes have been made for this R4 period.

There were three additional actions requested in the Contract: the movement of RSSA staff costs from a discrete line item to part of the total pledge to the CGIARs; a request that the Center work closely with the Bureau to clarify its budget request in light of continuing Congressional directives and Administration priorities; and development of an environmental compliance section to meet ADS Section 204 (22 CFR 216) requirements. All three of these additional actions have been completed. Rather than identify all RSSA staff costs under one line item, we have partitioned them into three general program (budget) areas: CGIAR/IARCs; CRSPs; and Microenterprise Development. G/PDSP and G/EGAD/PS have worked closely on all budget issues for this R4. All documentation needed to meet the Agency's environmental compliance regulations has been completed and is under review by the Bureau's Environmental Officer.

**Center for Economic Growth and  
Agricultural Development**

**FY2000**

**Results Review  
and  
Resource Request (R4)**

**Part IV: Resource Request**

**April 20, 1998**

## **Part IV: RESOURCE REQUEST**

The Center's strategic support and special objectives are currently accomplished by: direct management of our OYB program and OE funds; management or oversight of program funds transferred to the Center from regional bureaus; utilization of special "credit" funds (PJ) which provide both program and OE resources; and the employment of US DH, RSSAs, IPAs, and AAAS Fellows as well as a limited number of on-site contractor staff and off-site support contracts.

As noted above, the priorities for other programs in the Agency have contributed to a strong downward trend in the Center budget (with the exception of the credit funds) over the FY 96 - FY 99 period. The declining level has had a particularly important impact on program flexibility and innovation as most of the OYB has had to be used to meet Congressional and Administration directives. In looking to FY 2000 and beyond, therefore, we have taken into consideration the policy imperative of giving new life to the agricultural development agenda and the possibility of a changed stance on directives.

The reduction in the Center's USDH staff ceilings effected in FY 97 and FY 98 limits our capacity to provide intellectual leadership as well as technical field support. To compensate for these USDH reductions, we have already made a program choice to reduce the number of management units (e.g., by implementing SEGIR as a single activity) and a staffing choice to increase use of the RSSA mechanism. This year, we are also initiating new Intergovernmental Personnel Act (IPA) authorities as well as expanding our AAAS Fellow contingent to add some short-term technical expertise. This kind of staff supplementation is, of course, seriously limited by budget availability. However, it has proven essential to maintaining both technical leadership and field support response capacity (particularly in EGAD/MD and EGAD/AFS) as OE limitations are even more stringent and do not permit as much travel as would be useful.

In FY 99, the Center will re-evaluate its portfolio and consider possible revision of its strategic plan with a view to increasing impact and reducing management burdens, taking into account the constraints which a straightlined FY 99- FY 2000 budget would impose.

### **A. Financial Plan - Core Funding Request by Objective**

The Center's financial plan for FY 2000 is based on the Management Contract signed in March, 1998. The FY 99 planned level will not permit us to implement the Management Contract and so would force a strategic revision before useful discussion of outyear budgets could take place.

We have also developed an FY 2000 financial plan and total resource request which is lower than that agreed to in the Management Contract. This "adjusted request" level better reflects initiatives within each of the Strategic Support and Special Objectives as well as the relationship of the G/EGAD program with those of regional bureaus and missions. Both



request levels are included in the discussion by objective which follows.

### **Agency Objective 1.1: Critical Private Markets Expanded and Strengthened**

*Strategic Support Objective #3*, "Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries". Both the Management Contract (MC level) of \$5.2 million and the adjusted level of \$6.5 million will be implemented by one activity, SEGIR. SEGIR is designed as an "umbrella" activity which combines the efforts of seven previous projects. This consolidation minimizes management resource requirements and provides easier access by missions to field support services. The MC level funding will be used for: cross-sectoral and regional research, assessments and evaluations (in coordination with PPC/CDIE), conferences and workshops, and special studies. The adjustment will permit EGAD/EM to use the IPA mechanism to: bring on special expertise in financial markets development; undertake more collaborative activity with the Center for Democracy and Governance on legal and institutional reform issues; and expand coverage with regard to research on economic policy and poverty.

*Special Objective #3*, "Expanded Technology Transfer by US Businesses", requests \$1.0 million at the MC level: \$0.75 million for the management of the Global Technology Network and other trade and investment services, and \$0.25 million for the environmental technology network outreach activities. As noted above, this level is inadequate to expand the network as currently planned and, in fact, will cause some limitation of services in Latin America, Africa, and outreach in the U.S. The adjusted request level, therefore, is set at \$2 million, not only permit EGAD/BD to sustain its current level of collaboration with state-level agencies in the U.S., but also to expand activities in Africa and Latin America to develop business links between local and American businesses in selected technology areas.

### **Agency Objective 1.2: More Rapid and Enhanced Agricultural Development and Food Security Encouraged**

MC level funding requirements for Strategic Support Objective #2, "Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development" total \$60.57 million. This will permit levels of core support for the international agricultural research centers through the Consultative Group on International Agricultural Research (CGIAR) to be returned to the FY 98 level, the various programs carried out in partnership with U.S. land-grant universities to be expanded slightly, and the International Fertilizer Development Institute (IFDC) core support to continue at historical levels. These longstanding programs continue to yield enormous benefits for farmers in the U.S. as well as in developing countries and provide a valuable basis for international collaboration on scientific and policy issues affecting food and agriculture. A small amount of MC level funding (\$250,000) will permit the consortium of contractors expected to be functioning in the implementation of the RAISE activity (being managed jointly with the Global Bureau's Center for the Environment) to conduct non-regional work. Approximately

\$2 million is requested as the minimal level of funding to launch a public-private partnership activity focused on the integration of research, agribusiness, trade, and regulatory concerns. \$3.25 million is requested for focused efforts carried out by the CGIAR and/or land-grant institutions in support of the African Food Security Initiative (which is planned to have no funding in FY 99).

The adjusted request level would substantially strengthen EGAD/AFS's capacity to develop new public-private partnership (approximately \$5 million) as well as expand core funding for those activities which focus on agricultural policy. This would permit an expanded amount of effort on regional and problem-oriented research (e.g., the impact of global trade policy changes on agriculture and agribusiness opportunities in specific regions). The adjusted request level would also allow for the possibility of undertaking some pilot work (in collaboration with EGAD/EM and EGAD/MD) on rural financial systems development.

"Directed activities" within the MC level funding request account for a total of \$42.05 million. We are counting as "directives" the following: \$20 million to the CGIAR, \$17.25 million to the CRSPs, \$2.0 million to the IFDC, \$1.0 million to the Postharvest CASP, \$0.5 million to Agr. Biotechnology, \$0.5 million to Food Security II, and \$0.8 million to the BASIS activity. We note that the current FY 99 budget will not permit the CGIAR "directive" level to be met.

We have not requested in FY 2000 \$3.0 million for the Dairy Directive, assuming that M/B will transfer this for management by EGAD/AFS. We also anticipate the transfer of \$300,000 for financing of the Board for International Food and Development (BIFAD) and related activities. RSSA, AAAS, and IPA staff costs will absorb \$3.0 million of the total requested budget.

*Special Objective #4, "Increased Understanding and Collaboration Among Middle Eastern Countries, and Utilization of US and Israeli Technical Expertise by Developing Countries",* has historically not been included in the Center's budget. This activity was funded through a special Agency initiative, and its levels were externally determined in the Asia/Near East Bureau and assigned to the Center. In FY 98, however, there was a change. While funding for the Middle East Research Cooperation (MERC) program still is additive to the Center budget, with ESF funds transferred for this purpose, funding for the Cooperative Development Program (CDP) and Cooperative Development Research (CDR) programs was charged to the Center's DA budget. This was a highly unusual budget move and forced the Center to reduce funding for other planned activities in FY 98. For FY 99, therefore, we are proposing to seek ESF funding for the whole program and to begin reducing the level of support for CDP. For FY 2000, we have retained both the MC level and adjusted request totals at the FY 99 amount, assuming that the CDR program can expand as the CDP activity moves to complete funding from the Israeli budget.

### **Agency Objective 1.3: Access to Economic Opportunity for the Rural and Urban Poor Expanded and Made More Equitable**

*Strategic Support Objective #1, "Improved Access to Financial and Non-financial Services for Microenterprises of the Poor", is included in the EGAD Management Contract budget at the \$18.85 million level. This would enable USAID to respond to the often-expressed concern that USAID is not committed to central management and oversight of the portfolio and to the quality improvement role which EGAD/MD plays. This concern results from the fact that the budget proposal has been zero since FY 96. However, the on-budget approach seems unrealistic given regional bureau imperatives to target microenterprise funding and, fortunately, the collaborative relationship between EGAD/MD and regional bureaus has been excellent. This means that the approach of taxing the regional bureaus for the Center's microenterprise development budget can be practically maintained. This "non-add" approach is used in the adjusted request for a sustained level of \$25 million per year. We have planned OE and personnel levels adequate to support the anticipated \$25 million level in FY2000 for activities managed by this Center.*

*Special Objective #1, "Better Access to Finance and Information for Micro and Small Businesses". \$1.5 million is requested to cover subsidy costs for the MSSED activity in both the MC and adjusted request budgets. Training costs are contained within the core budget request. A special allocation of OE is also requested for management of this credit activity. This level of credit authority is expected to leverage \$33 million in available financing for micro and small businesses in several countries.*

*Special Objective #2, "Enhance the Ability of Indigenous Businesses to Become Viable Within Emerging Markets". USAID is directed by legislative language to work with and fund both implementing partners for this special objective. This is reflected in the MC level request of \$6.715 million. EGAD is currently proposing a graduation strategy for ATI, however, which should permit a significant decrease in the level of funding through this mechanism. While recognizing that this graduation strategy is not yet approved, the adjusted request level reduces the core ATI support to \$1.5 million. The historical level of funding provided to IESC is maintained (at \$2.5 million) although, after FY 98, this will no longer be used simply as core financing by IESC but will, instead, focus on the achievement of the special objective in a number of innovative ways. In addition, EGAD/BD programs a sustained level of \$500,000 for IESC's provision of network support services.*

## **B. Financial Plan - External Funding and Agency Initiatives**

As discussed, the EGAD Center manages several activities and special programs which are not included in our Center funding request, but for which we are the responsible technical office, serving as the management entity. Funding may come from a special Agency source, or from multiple sources within the Agency, coordinated through PPC. Anticipated levels are:

- Microenterprise Development Initiative. This is an Agency initiative, directly linked to Strategic Support Objective #1. As noted above, we anticipate funding at \$25 million for EGAD/MD core programs to be derived from regional bureau "taxation".

- Middle East Support Programs, identified as Special Objective #4, with the following ESF funding levels in FY 2000: CDR funded at \$1.5 million; CDP funded at \$4.0 million; and MERC funded at \$7 million.
- Board for International Food and Agriculture Development (BIFAD), linked with SSO#2, an Administrator's initiative, funded at \$300,000.
- Development Credit Authority will be a new Agency initiative which serves as a credit subsidy to fund credit transactions, linked to SpO#1, planned to begin implementation in FY98/99. Transfer authority of \$15 million is requested for FY 2000.
- Dairy Directive. This is special Agency initiative, linked to Strategic Support Objective #2, with a historical annual average funding of \$3.0 million.

In addition to these funds, buy-in authorities for several activities for which EGAD staff and serve as the Contractor's Technical Representative, will raise the level of funding actually managed for other Agency operating units.

### **C. OE and Staffing Requirements**

The requested Operating Expense level for FY2000, to be used for Center travel, represents a 25 percent increase over the FY98 actual level. Actual funding levels for OE have been diminishing over the past several years: FY98 actual level is \$199,500, and the base level for FY99 is \$189,525. This is in contrast to the request levels (based on the Management Contract) for those years, \$205,500 and \$237,000, respectively. Direct-hire travel to provide field support is the single most critical element for the Center to succeed in fulfilling its role as a "Center of Excellence." Providing leadership on the implementation of the Agency's economic growth and agricultural development goal requires that we get our staff out of Washington --to participate in the development and refinement of mission strategic plans, results packages, and new initiatives. Some of the travel costs associated with these services can often be covered by Missions themselves, but Mission funding is often insufficient to cover donor coordination, conference attendance, independent assessments, outreach, training and other professional activities. We must provide technical expertise where it is needed and will have the greatest impact for the Agency.

Administrative expenses required for the Micro and Small Enterprise Development (MSED) activity, approximately \$1.0 million per year for salaries, rent, travel and administrative costs, are not included, although there is a special, and separate, MSED Administrative allocation by the Agency which we expect will be sustained.

In addition, there are no resources programmed to support the Center's sectoral or in-service training needs. There have been formal requests from the Agency's economists and

agriculture officers to support Agency-wide workshops for these backstops. Several technical officers have also requested upgrading or “recurrency” training to update their technical skills. We have been successful in negotiating with M/PM for some training support funds. However, present Agency policies do not permit a full response to the uniqueness of certain technical training needs, and therefore we remain unable to fulfill the needs perceived by our technical staff.

The EGAD Center has an approved “Bodies on Board” level of 54. The Center remains very concerned that this level of USDH staffing adversely affects our technical capacity and capability. With the MC or adjusted request levels of program funds, however, we are confident that we can recruit top-level expertise in both economic growth and agricultural development areas.

#### **D. Financial Plan - Tables**

Attached to this section is a “Summary Resource Request FY2000”, presenting the estimated level of resources required to achieve the results as approved in the Center's Management Contract, and explained and justified in this R4 . Funding has been presented in two levels: the FY2000 Management Contract (MC) level, and the FY2000 Adjusted Request level. The justification for these levels was discussed in the previous section. Also attached are the FY98, FY99, and FY2000 funding data sheets, the FY2000 OE budget and staffing tables. All of these are presented at levels consistent with our Management Contract request.

## **ANNEX A**

## ANNEX A - RESULTS FRAMEWORK

<b>AGENCY GOAL #1:</b>  <b>Broad-based Economic Growth and Agricultural Development Encouraged</b>		
<b>Strategic Support Objectives</b>		
1. Improved access to financial and non-financial services for micro-enterprises of the poor.	2. Improved food availability, economic growth and conservation of natural resources through agricultural development.	3. Support appropriate and functioning economic policies, market reforms & institutions in selected emerging markets and priority countries.
<b>Intermediate Results</b>		
1.1 Expanded delivery of financial and non-financial services to micro-entrepreneurs.	2.1 Sustainable technologies and policies that enhance food availability developed and adopted.	3.1 Increased host-country privatization efforts & competitive market environments.
1.2 Increased capability of financial and non-financial institutions to service micro-enterprises.	2.2 Policies and technologies that improve food access and agribusiness opportunities developed and adopted.	3.2 Increasingly liquid, transparent and rationalized financial markets.
1.3 Expanded dissemination of "best practices" in USAID-supported programs & in the micro-enterprise development field.	2.3 Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.	3.3 Increased economic stability and structural reforms.
	2.4 An information system established to enhance decision making for the agricultural sector developed and adopted.	3.4 Increased application of legal, institutional and regulatory reforms for competitive markets.
		3.5 Increased trade, investment and general business environment.

ANNEX A (CONTINUED) - **RESULTS FRAMEWORK**

<b>Special Objectives</b>			
1. Better access to finance and information for micro-enterprises and small businesses.	2. Enhance the ability of indigenous businesses to become viable within emerging markets.	3. Expand technology transfer by U.S. business [directly to business in developing and transition countries]	4. Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries.
<b>Intermediate Results</b>			
1.1 Create linkages between financial institutions and micro and small business.	2.1 Volunteer assistance enhances host-country business viability in emerging markets.	3.1 Expanded outreach of business and trade opportunities.	4.1 Collaboration between Israeli and other Middle Eastern or developing country scientists established.
1.2 Encourage indigenous financial institutions to increase lending to micro and small businesses.	2.2 Economically sustainable technologies create commercially viable small enterprises.		4.2 Israeli agricultural expertise transferred to Middle Eastern and developing countries.



## ANNEX B: PERFORMANCE DATA TABLES

<p align="center"><b>Strategic Support Objective (SSO) 3:</b> Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries.</p>				
<p align="center"><b>SSO Indicator</b> Changes in a composite index of economic growth indicators in emerging markets and priority countries (Policy Matrix Model)</p>				
<p align="center"><b>Intermediate Results</b></p>				
3.1 Increased host country privatization efforts and competitive market environments.	3.2. Increasingly liquid, transparent and rationalized financial markets.	3.3. Increased economic stability and structural reforms.	3.4. Increased application of legal, institutional and regulatory reforms for competitive markets.	3.5. Increased trade, investment and general business environment
<p align="center"><b>Indicators</b></p>				
3.1.1 Subsidies, paid by government to state-owned enterprises, as a percent of total government spending.	3.2.1 Changes in capital market flows within USAID-assisted countries as measured by DEPTH (M2/GDP)	3.3.1, 3.3.2 and 3.3.3 Government surplus/deficits as a % of GDP, inflation rates and foreign exchange reserves measured in number of months of import coverage.	3.4.1 Changes in Trade Openness (exports plus imports) as a % of GDP, within USAID-assisted countries.	3.5.1 Changes in levels of Foreign Direct Investment as a % of GDP.

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Less Subsidies Paid by the Central Government to State-Owned Nonfinancial Enterprises**

**INDICATOR 3.1.1: Subsidies as a Percentage of Total Government Expenditures**

**UNIT OF MEASURE: Subsidies/Expenditures (%)**

**SOURCE: The IMF's International Financial Statistics and Government Financial Statistics.**

**INDICATOR DESCRIPTION: The numbers used for subsidies are from line 3.1 in the GFS; the numbers used for central government expenditure are from line II from the same source.**

**COMMENTS: Data tend to be available only with two-year lags.**

YEAR	PLANNED	ACTUAL
1994	7.3	7.3
1995	6.7	5.4
1996	6.1	6.2
1997	5.5	
1998	4.9	
1999	4.3	
2000	3.7	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1994 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

**INDICATOR 3.1.1 Subsidies paid by the central government to state-owned nonfinancial enterprises as a percent of central government spending.**

UNIT OF MEASURE: Subsidies/Government Spending	COUNTRY	BASE YEAR 1994	BASE YEAR 1994 (revis ed)	INTERMED IATE RESULT 1996	PLANN ED YEAR 2000	ACT UAL YEA R 2000
	BOLIVIA	2.4%	2.5%	2.1%	1.2%	
	EGYPT	□	□	□	TBD	
	EL SALVADOR	9.3%	11.5 %	11.4%	4.7%	
SOURCE: GFS, IMF	GHANA	□	□	□	TBD	
	HAITI	□	□	□	TBD	
	INDIA	□	□	□	TBD	
INDICATOR DESCRIPTION: Provides an obtainable measure of change in government subsidization of its inefficient and money- losing enterprises.	INDONESIA	□	□	□	TBD	
	JORDAN	2.8%	6.5%	7.7%	1.4%	
	PERU	□	□	□	TBD	
	PHILIPPINES	□	□	□	TBD	
COMMENTS: There will inevitably be an approximately 2-year lag. The numbers used for subsidies is line 3.1 in the Government Financial Statistics of the IMF; the numbers for central government expenditure is the line II from the same source.	POLAND	2.9%	7.2%	5.9%	1.5%	
	RUSSIA	14.3%	11.6 %	□	7.2%	
	SOUTH AFRICA (Intermediate is 1995)	1.6%	4.6%	4.0%	0.8%	
	UKRAINE	13.1%	□	□	6.6%	
	ZIMBABWE	□	□	□	TBD	

□ - Data being collected.

TBD - to be determined.

SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM			
RESULT NAME: Increased Capital Market Flows as Measured by Monetary Depth			
INDICATOR 3.2.1: The broad monetary aggregate as a percentage of GDP			
UNIT OF MEASURE: M2/GDP (%)  SOURCE: The IMF's International Financial Statistics and the World Bank's World Development Indicators.  INDICATOR DESCRIPTION: A standard and accurate measure of the breadth and depth of change in financial markets within countries. The numbers used for M2 are the sum of lines 34 and 35 in the IFS.  COMMENTS: Data tend to be available with an approximately two-year lag.	YEAR	PLANNED	ACTUAL
	1995	34.6	34.6
	1996	35.6	36.1
	1997	36.7	
	1998	37.7	
	1999	38.8	
	2000	39.9	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995\* has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

<b>INDICATOR 3.2.1 Capital market flows within USAID-assisted countries as measured by DEPTH (M2/GDP).</b>						
UNIT OF MEASURE: M2/GDP for selected USAID-assisted countries	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised)	INTERMEDI ATE RESULT 1996	PLANN ED YEAR 2000	ACTU AL YEAR 2000
	BOLIVIA	44.9%	40.9%	□	48%	
	EGYPT	98.6%	79.4%	79.0%	TBD	
	EL SALVADOR	36.1%	38.3%	40.1%	40%	
SOURCE: WDR, IFS	GHANA	15.4%	18.3%	□	20%	
	HAITI	42.9%	35.4%	34.0%	47%	
	INDIA	46.0%	47.8%	□	49%	
INDICATOR DESCRIPTION: A standard and accurate measure of the breadth and depth of change in financial markets within countries.	INDONESIA	40.6%	48.0%	52.1%	44%	
	JORDAN	104.5 %	102.9 %	92.2%	TBD	
	PERU	17.2%	18.8%	22.9%	22%	
	PHILIPPINES	45.4%	50.4%	53.8%	48%	
COMMENTS: There will inevitably be an approximately 2-year lag. The numbers used for M2 are the sum of the lines 34 and 35 in the International Financial Statistics.	POLAND	31.8%	36.5%	□	40%	
	RUSSIA	11.6%	16.9%	16.3%	20%	
	SOUTH AFRICA	51.7%	56.4%	57.7%	55%	
	UKRAINE	13.1%	12.7%	11.6%	20%	
	ZIMBABWE	25.6%	25.6%	□	30%	

□ - Data being collected.

TBD - to be determined.

SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM			
RESULT NAME: Improved Management of the Government's Fiscal Balance			
INDICATOR 3.3.1: Government surplus or deficit as a percentage of GDP			
UNIT OF MEASURE: Deficit (-) or Surplus (+)/GDP (%)  SOURCE: The IMF's International Financial Statistics and Government Financial Statistics.  INDICATOR DESCRIPTION: This measure of economic stabilization, along with price stability and reserves data, provides an excellent insight into the direction of the economy.  COMMENTS: Data tend to be available only with a two-year lag.	YEAR	PLANNED	ACTUAL
	1995	-2.6	-2.6
	1996	-2.2	-2.2
	1997	-1.8	
	1998	-1.4	
	1999	-1.0	
	2000	-0.7	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

<b>INDICATOR 3.3.1 Government surplus/deficits as a percent of GDP.</b>						
UNIT OF MEASURE: Government surplus or deficits as a percentage of GDP.	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised)	INTERMEDIATE RESULT 1996	PLANNED YEAR 2000	ACTUAL YEAR 2000
	BOLIVIA	-3.6%	- 1.8%	-1.9%	-1.2%	
	EGYPT	2.0%	□	□	0.6%	
	EL SALVADOR	-0.8%	- 0.9%	-2.5%	-0.3%	
sources: WDR, IFS, BOP, EBRD	GHANA	-4.7%	□	□	-1.0%	
	HAITI	- 10.8%	- 10.8 %	-8.6%	-2.0%	
	INDIA	-6.5%	- 6.0%	□	-4.0%	
INDICATOR DESCRIPTION: This measure of economic stabilization, along with price stability and reserves data, provides an excellent insight into the direction of the economy.	INDONESIA	0.6%	2.2%	1.2%	0.2%	
	JORDAN	1.1%	0.3%	1.5%	0.4%	
	PERU	3.0%	- 1.3%	2.4%	1.0%	
	PHILIPPINES	-1.5%	0.6%	0.3%	-0.5%	
COMMENTS: These data are readily available but there will likely be a lag in collecting them.	POLAND	-2.3%	- 2.0%	-1.7%	-0.8%	
	RUSSIA	- 10.5%	- 4.3%	-6.5%	-3.5%	
	SOUTH AFRICA	-6.2%	- 5.4%	-5.7%	-2.0%	
	UKRAINE	-4.9%	- 4.9%	-3.2%	-3.0%	
	ZIMBABWE	□	□	□	-2.0%	

□ - Data being collected.

TBD - to be determined.





**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Lowered Inflation Rates in Countries**

**INDICATOR 3.3.2: Three-Year Moving Average of Annual Percentage Change in the GDP Deflator**

**UNIT OF MEASURE: GDP Deflator (% change)**

**SOURCE: The IMF's International Financial Statistics.**

**INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and reserves data, provides an excellent insight into the direction of the economy.**

**COMMENTS: Data tend to be available with a minimum lag. Because inflation rates can be volatile, the three-year moving average is used to capture underlying trends.**

YEAR	PLANNED	ACTUAL
1995	188.6	188.6
1996	152.1	57.6
1997	115.6	
1998	79.2	
1999	42.7	
2000	6.2	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target reduction that is of constant magnitude.

INDICATOR 3.3.2 Inflation Rate.						
UNIT OF MEASURE: Average Annual Inflation Rate Measured by GDO Deflator, over a three-year period.	COUNTRY	BASE YEAR S 1993- 95	BASE YEARS 1993-95 (revised)	INTERMED IATE RESULT 1994-96	PLANN ED YEARS 1998- 2000	ACTUA L YEARS 1998- 2000
	BOLIVIA	8.9%	8.8%	10.3%	3.0%	
	EGYPT	8.3%	8.3%	7.7%	6.0%	
	EL SALVADOR	10.4 %	11.6%	9.7%	3.5%	
sources: WDR, IFS, BOP, EBRD	GHANA	33.1 %	32.7%	35.7%	6.0%	
	HAITI	30.4 %	31.0%	31.5%	3.0%	
	INDIA	9.5%	8.7%	8.6%	6.0%	
INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and reserves data, provides an excellent insight into the direction of the economy.	INDONESIA	7.9%	12.3%	8.7%	5.0%	
	JORDAN	4.3%	3.0%	3.6%	4.0%	
	PERU	15.5 %	25.6%	13.3%	3.0%	
	PHILIPPINES	8.7%	8.1%	8.8%	6.0%	
COMMENTS: These data are readily available but there will likely be a lag in collecting them.	POLAND	28.3 %	31.8%	26.6%	5.0%	
	RUSSIA	250 %	460%	184%	8.0%	
	SOUTH AFRICA	10.3 %	9.8%	8.9%	3.5%	
	UKRAINE	617 %	1989%	449%	10.0%	
	ZIMBABWE	25.0 %	24.2%	22.1%	5.0%	

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Increased Foreign Exchange Reserves**

**INDICATOR 3.3.3: Gross International Reserves Measured as Months of Import Cover**

**UNIT OF MEASURE: Reserves/Imports per Month (number of months)**

**SOURCE: The IMF's International Financial Statistics and Balance of Payments Statistics.**

**INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and price stability, provides an excellent insight into the direction of the economy.**

**COMMENTS: Data tend to be available with a lag. The numbers used for Gross International Reserves are line 11.d in the IFS; the numbers for imports are for goods and services, or lines 78abd and 78aed.**

**YEAR PLANNED ACTUAL**

1994 4.1 4.1

1995 4.3 4.4

1996 4.5 4.8

1997 4.7

1998 4.8

1999 5.0

2000 5.2

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1994 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

### INDICATOR 3.3.3 Foreign Exchange Reserves as Months of Import Coverage

UNIT OF MEASURE: Gross International Reserves as Months of Import Cover.	COUNTRY	BASE YEAR 1994	BASE YEAR 1994 (revised)	INTERMEDIATE RESULT 1996	PLANNED YEAR 2000	ACTUAL YEAR 2000
	BOLIVIA	5.8	3.7	6.0	5.0	
	EGYPT	10.7	10.3	11.4	7.0	
	EL SALVADOR	3.4	2.7	3.6	6.0	
sources: WDR, IFS, BOP, EBRD	GHANA	3.9	3.5	4.2	6.0	
	HAITI	□	1.6	1.7	5.0	
	INDIA	6.7	6.2	4.5	7.0	
INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and price stability, provides an excellent insight into the direction of the economy.	INDONESIA	3.2	3.3	3.8	5.0	
	JORDAN	5.0	4.6	4.0	6.0	
	PERU	9.7	11.7	12.8	7.0	
	PHILIPPINES	3.1	2.8	3.4	4.0	
COMMENTS: These data are readily available but there will likely be a lag in collecting them. The numbers used for Gross International Reserves are line 11.d in the IFS; the numbers for imports are for goods and services, or lines 78abd and 78aed.	POLAND	2.8	3.2	5.8	6.0	
	RUSSIA	1.5	0.7	1.5	6.0	
	SOUTH AFRICA	1.3	0.8	0.3	4.5	
	UKRAINE	□	1.8	4.6	6.0	
	ZIMBABWE	3.2	1.9	□	6.0	

□ - Data being collected.

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Increased Trade Openness in a Country**

**INDICATOR 3.4.1: Total Trade (Exports plus Imports ) as a percentage of GDP**

**UNIT OF MEASURE: (X+M)/GDP (%)**

**SOURCE: The IMF's International Financial Statistics and Balance of Payments Statistics.**

**INDICATOR DESCRIPTION: Exports and imports are measured in U.S. dollars as part of the balance of payments; GDP is measured in local currency and then converted into U.S. dollars.**

**COMMENTS: Data tend to be available an average lag.**

YEAR	PLANNED	ACTUAL
1995	51.3	51.3
1996	53.3	53.2
1997	55.3	
1998	57.4	
1999	59.4	
2000	61.4	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

**INDICATOR 3.4.1 Trade Openness within USAID-assisted countries as measured by exports plus imports (X+M) as a percent of GDP.**

UNIT OF MEASURE: (X+M)/GDP	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised )	INTERMED IATE RESULT 1996	PLANN ED YEAR 2000	ACTUA L YEAR 2000
	BOLIVIA	47.4%	49.5 %	□	50%	
	EGYPT	53.6%	46.3 %	47.1%	59%	
	EL SALVADOR	55.2%	59.3 %	54.6%	65%	
sources: WDR, IFS, BOP, EBRD	GHANA	58.6%	59.9 %	□	62%	
	HAITI	17.0%	38.9 %	42.9%	20%	
	INDIA	27.2%	□	□	32%	
INDICATOR DESCRIPTION: Describes changes in trade openness as an indicator of institutional, legal, and regulatory functioning in a competitive environment.	INDONESIA	52.9%	54.0 %	52.5%	60%	
	JORDAN	120.9 %	126.2 %	125.1%	TBD	
	PERU	30.0%	28.5 %	28.3%	32%	
	PHILIPPINES	80.3%	80.5 %	93.7%	110%	
COMMENTS: These data are available but there will likely be a lag in collecting them. The numbers used for exports are line 90c in the IFS; for imports, line 98c; and for GDP, line 99b. All data are in nominal terms.	POLAND	54.3%	37.6 %	42.7%	58%	
	RUSSIA	44.0%	42.6 %	34.8	47%	
	SOUTH AFRICA	44.2%	□	□	47%	
	UKRAINE	38.3%	□	□	41%	
	ZIMBABWE	74.3%	□	□	78%	

□ - Data being collected.

TBD - to be determined.

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Increased Foreign Direct Investment in a Country**

**INDICATOR 3.5.1: FDI as a percentage of GDP**

**UNIT OF MEASURE: FDI/GDP (%)**

**SOURCE: The IMF's International Financial Statistics and Balance of Payments Statistics.**

**INDICATOR DESCRIPTION: FDI is measured in U.S. dollars as part of the balance of payments; GDP is measured in local currency and then converted into U.S. dollars.**

**COMMENTS: Data tend to be available only with unusually long lags.**

YEAR	PLANNED	ACTUAL
1995	1.3	1.3
1996	1.5	1.4
1997	1.7	
1998	1.8	
1999	2.0	
2000	2.2	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

**INDICATOR 3.5.1 Changes in levels of Foreign Direct Investment (FDI) as a percentage of GDP.**

UNIT OF MEASURE: FDI/GDP	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised)	INTERMED IATE RESULT 1996	PLANN ED YEAR 2000	ACTUA L YEAR 2000
	BOLIVIA	2.4%	2.2%	4.9%	2.6	
	EGYPT	1.3%	1.0%	0.9%	2.5	
	EL SALVADOR	0.4%	0.4%	□	1.2	
sources: WDR, IFS, BOP, EBRD	GHANA	3.6%	3.6%	□	4.5	
	HAITI	0.1%	0.1%	□	1.0	
	INDIA	0.4%	0.4%	□	1.2	
INDICATOR DESCRIPTION: Measures the flow of FDI into a country as a percentage of GDP.	INDONESIA	2.2%	1.0%	□	4.0	
	JORDAN	0.7%	0.2%	0.2%	1.0	
	PERU	3.3%	□	□	3.3	
	PHILIPPINES	2.0%	2.0%	□	4.0	
COMMENTS: These data are available but there will likely be a lag in collecting them. The numbers used for FDI are line 78bed in the IFS; for GDP, line 99b after it has been converted into U.S. dollars at the average exchange rate. All data are in nominal terms.	POLAND	3.1%	□	□	3.2	
	RUSSIA	0.6%	□	□	2.0	
	SOUTH AFRICA	0.002 %	□	□	1.0	
	UKRAINE	0.3%	□	□	1.5	
	ZIMBABWE	0.6%	□	□	1.2	

□ - Data being collected.



<p><b>Special Objective 3:</b> Expand technology transfer by U. S. business [directly to business in developing countries and transitional countries]</p>
<p><b>Intermediate Results</b></p>
<p>03.1 Expanded outreach of business and trade opportunities</p>
<p><b>Indicators</b></p>
<p>03.1.1 Public and private sector contacts</p>
<p>03.1.2 Public and private sector requests</p>

SpO 3: Expand Technology Transfer by U.S. Business (GTN) APPROVED: 6/97      COUNTRY/ORGANIZATION: G/EGAD/BD			
RESULT NAME: Expanded outreach of business and trade opportunities			
INDICATORS 03.1.1 and 03.1.2: Increase public and private sector contacts with GTN and GTN regional offices			
UNIT OF MEASURE: Number  SOURCE: GTN Report tracking systems  INDICATOR DESCRIPTION: COMMENTS:  Public and Private Sector Contacts (GTN)  Public and Private Technology Requests (GTN)	YEAR	PLANNED	ACTUAL
	1997	5,000	162,623
	2000	200,000	
	1997	750	1,336
	2000	1,000	

u:\annexb.1

## Strategic Support Objective 1:

Improved Access to Financial and Non-Financial Services for Micro-enterprises of the Poor

### Indicator

- Number of active borrowers and savers in USAID-assisted micro-enterprise programs worldwide
- Percent of women and clients in USAID-supported micro-enterprise programs

### Intermediate Results

1.1 Expanded delivery of financial services to microentrepreneurs.

1.2 Increased capability of financial and non-financial institutions to service microenterprises.

1.3 Expanded dissemination of best practices in USAID-supported programs & in the microenterprise development field.

### Indicators

1.1.1 No. of active borrowers at institutions supported by MD programs.

1.2.1 No. of operationally sustainable institutions supported by MD programs.

1.3.1 No. of institutional assessments conducted under MD programs during last calendar year.

1.1.2 Percentage of women in MD-supported programs.

1.2.2 Average portfolio at risk in MD-supported programs.

1.3.2 No. conferences and training events to disseminate best practices.

1.1.3 No. of savers at institutions supported by MD.

1.2.3 No. of institutions supported by MD programs meeting client outreach targets.

1.3.3 No. of missions served through MD programs and staff.

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b>			
<b>APPROVED:</b> 6/97		<b>COUNTRY/ORGANIZATION:</b> G/EGAD/MD	
<b>INDICATOR 1.1: Number of active borrowers in USAID-supported programs world-wide</b>			
<b>UNIT OF MEASURE:</b> Number of active borrowers <hr/> <b>SOURCE:</b> . <b>Surveys of USAID ME programs</b> <hr/> <b>INDICATOR DESCRIPTION:</b> <hr/> <b>COMMENTS:</b>  1994 data is derived from the 1994 MEMS survey. 1996 data is from the 1996 MRR survey of USAID funded institutions. Future data will utilize that same source.  The percentage of women for 1994 ME programs world-wide was <u>68%</u> and for 1996 ME programs <u>66%</u> . The average loan size worldwide for programs in 1996 was \$307.  The 1996 MRR collected data only on programs which received USAID funds in FY 96. In 1997, MRR will be collecting data on the <u>entire</u> universe of ME programs with an active grant with USAID.  Given the actual performance in 1996, the targets for later years have been increased. They are based on the 15% increase in number of clients receiving services, as pledged in the Microenterprise Initiative Renewal in July 1997.		<b>PLANNED</b>	<b>ACTUAL</b>
	94	(Baseline)	331,243
	96	360,000	981,654
	97	1,150,000	
	98	1,325.000	
	99	1,525,000	
	2000	1,750,000	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs</b>			
<b>INDICATOR 1.1.1: Number of active borrowers of institutions supported by G/EGAD/MD programs</b>			
<b>UNIT OF MEASURE:</b> Number of active borrowers  <hr/> <b>SOURCE:</b> . <b>G/EGAD/MD's IGP and PRIME programs and the Grameen Trust</b>  <hr/> <b>INDICATOR DESCRIPTION:</b>  <hr/> <b>COMMENTS:</b> 95 Baseline data: IGP: 42,967; PRIME: 111,000; Grameen: 79,744.  96 Breakdown: IGP: 70,993; PRIME: 161,373; Grameen Trust: 131,960 (included all Grameen replicants).  97 Breakdown: IGP: 234,580; PRIME: 221,713; and Grameen Trust: 59,056 (only countries supported under IGP grant).  Planned targets for 1998 and 1999 have been increased, as they were exceeded (1998 was 450,000 and 1999 was 480,000). Targets were exceeded principally because two large programs (BancoSol with 76,215 clients and ACP with 33,549) under the Accion IGP.		<b>PLANNED</b>	<b>ACTUAL</b>
	95	(Baseline)	233,711
	96	300,000	364,326
	97	400,000	515,349
	98	600,000	
	99	650,000	
	00	700,000	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs</b>			
<b>INDICATOR 1.1.2: Percentage of women borrowers in G/EGAD/MD supported programs</b>			
<b>UNIT OF MEASURE:</b> Weighted average of the percentage of women borrowers of the institutions with active USAID agreements during the Fiscal Year.  <hr/> <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs.  <hr/> <b>INDICATOR DESCRIPTION:</b>  <hr/> <b>COMMENTS:</b> Breakdown for 1996: IGP, incl. Grameen Trust, Weighted Average: 85% PRIME weighted average: 80%  Breakdown for 1997: IGP: 57%; PRIME: 84.1%; Grameen: 98.9%		<b>PLANNED</b>	<b>ACTUAL</b>
	96	75%	83%
	97	75%	80%
	98	75%	
	99	75%	
	00	75%	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b>			
<b>APPROVED:</b>		<b>COUNTRY/ORGANIZATION:</b> G/EGAD/MD	
<b>INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs</b>			
<b>INDICATOR 1.1.3:</b> No. of Savers of institutions supported by G/EGADAD/MD programs			
<b>UNIT OF MEASURE:</b> Total number of savers of all of the institutions supported directly by IGP and Prime Fund programs.  <hr/> <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs.  <hr/> <b>INDICATOR DESCRIPTION:</b>  <hr/> <b>COMMENTS:</b>  1996 Breakdown: IGP: 316,950 (includes 312,187 for WOCCU-Ecuador); Grameen Trust: 131,960; PRIME Fund: 106,457.  1997 Breakdown: IGP: 565,752 (includes 489,636 for WOCCU-Ecuador); PRIME:90,907; Grameen Trust: 81,824  PLANNED numbers for 1998 and 1999 have been increased from 600,000 and 620,000 in 98 and 99 respectively. WOCCU-Ecuador will still be active in 1999.	<b>YEA</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	250,000	576,217
	97	590,000	738,483
	98	750,000	
	99	775,000	

**SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor**

**APPROVED:**

**COUNTRY/ORGANIZATION:** G/EGAD/MD

**INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises**

**INDICATOR 1.2.1:** Number of operationally sustainable institutions supported by G/EGAD/MD programs.

<b>UNIT OF MEASURE:</b> Sum of all operationally sustainable institutions with active agreements under IGP and PRIME.  <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs.  <b>INDICATOR DESCRIPTION:</b> Operational sustainability refers to the ability of institutions to cover their expenses from client revenues.  <b>COMMENTS:</b> 1996 Data Breakdown: IGP: Out of 13 institutions, 3 are sustainable. Excludes Grameen Trust. PRIME Fund: Out of 27 microfinance institutions, 7 sustainable.  1997 Data Breakdown: IGP: Out of 17 institutions reporting, 7 operationally sustainable. PRIME: Out of 30 institutions for which we have data, 11 are operational sustainable. This data has been estimated. Excludes Grameen Trust.  Targets have been increased for 1998 and 1999 to 18 and 19 from 15.	AR	PLANNED	ACTUAL
	96	10	10
	97	15	18
	98	18	
	99	19	



SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor			
APPROVED: COUNTRY/ORGANIZATION: G/EGAD/MD			
INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises			
INDICATOR 1.2.2: Portfolio at risk of ME institutions.			
<b>UNIT OF MEASURE:</b> Weighted average of the PAR rate for all institutions supported under the IGP.  <b>SOURCE:</b> G/EGAD/MD's IGP program only.  <b>INDICATOR DESCRIPTION:</b> Delinquent outstanding balance over 30 or 90 days.  <b>COMMENTS:</b> Portfolio at risk skyrocketed to 29% and 34% in IGP programs in Zimbabwe and Bulgaria programs. G/EGAD/MD has threatened to close-down these two programs if they do not substantially improve this indicator. The weighted average of the portfolio at risk for the IGP programs stands at 10%.  Weighted average for IGP programs improved in 1997 and stands at 6%, despite difficulties in Cambodia. Bulgaria and Zimbabwe are showing improvement.	<b>EAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	10%	10%
	97	10%	6%
	98	10%	
	99	10%	
	00	10%	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION:</b> G/EGAD/MD			
<b>INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises</b>			
<b>INDICATOR 1.2.3:</b> Number of institutions exceeding client outreach targets.			
<b>UNIT OF MEASURE:</b> Number of institutions with an active IGP or PRIME grant that have exceeded client outreach targets.  <hr/> <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs.  <hr/> <b>INDICATOR DESCRIPTION:</b> IGP grant agreements include annual client outreach performance targets.  <hr/> <b>COMMENTS:</b>  1996: Six out of 11 IGP grants signed by 6/96 exceeded targets as of September 1996. Targets were not met in various countries due to delays in start-up of the local institutions or to macro-economic instability. PRIME Fund: Out of 27 microfinance institutions, 9 are exceeding client targets (K-REP in Kenya, FINCA in Malawi, ACLEDA in Cambodia, Nirdahn in Nepal, CSD in Nepal, FIE in Bolivia, Sartawi in Bolivia, FUNADEH in Honduras, CRS in Peru).  1997: IGP: 10 out of 17 institutions exceed targets; PRIME: 11 out of 29 exceed targets (estimated data).  Targets for 98 increased to 22 and 99 remains unchanged.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	10	15
	97	17	21
	98	22	
	99	25	

SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor			
APPROVED:		COUNTRY/ORGANIZATION: G/EGAD/MD	
INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field			
INDICATOR 1.3.1: Number of institutional assessments conducted.			
<div>UNIT OF MEASURE: Number of institutional assessments conducted under G/EGAD/MD programs during the last calendar year.</div> <div>SOURCE: IGP, PRIME, Microserve program records.</div> <div>INDICATOR DESCRIPTION: Field assessments of ongoing or potential microenterprise programs are conducted in order to judge whether programs are developing adequately and whether they are applying best practices.</div> <div>COMMENTS: In Calendar Year 1996: Total 19. IGP: OI programs in Ghana and Bulgaria, WOCCU in Ecuador, MEDA in Nicaragua, World Education in Mali, CRS in Indonesia, Save the Children in Jordan, and FFH in Bolivia. Prime Fund: Cambodia, Guyana, Malawi Microserve: Bangladesh, Bolivia (3), Sri Lanka (3)  In Calendar Year 1997: Total 28. IGP: WR in Cambodia; Woccu in Kenya; Faulu in Kenya; FFH in Mali; Katalysis in Honduras; ACDI/VOCA in Poland. PRIME: FINCA in Malawi; VITA in Morocco Microserve only: PROMUJER in Bolivia, Peru (2); Ghana (4); Sri Lanka (5); Ecuador (2); Dominican Republic (2); El Salvador (2); Jamaica (1). Other: National Microfinance Bank in Tanzania.</div>	YEA R	PLANNED	ACTUAL
	96	10	19
	97	15	28
	98	15	
	99	12	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b>			
<b>APPROVED:</b>		<b>COUNTRY/ORGANIZATION:</b> G/EGAD/MD	
<b>INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field</b>			
<b>INDICATOR 1.3.2:</b> Number of Best Practices Conferences and Training Events			
<b>UNIT OF MEASURE:</b> Number of conferences and training events to disseminate best practices during the last calendar year.  <b>SOURCE:</b> G/EGAD/MD Staff and Microserve, MBP, AIMS programs.  <b>INDICATOR DESCRIPTION:</b>  <b>COMMENTS:</b> For calendar year 1996: Commercial banks conference in WDC; ME conference in West Bank/Gaza; Microfinance Training in Washington D.C.; Video Training modules, Jamaica  For Calendar Year 1997: 3 USAID EGAD Workshops (Rural Finance; ME Policy Paper; Impact) Boulder Microfinance Institute (Faculty Participation) Lessons W/out Borders: Knoxville: Rural Finance Microenterprise Networks Workshop: MBP/DC Village Banking Workshop: MBP/DC Insurance and Microenterprise Workshop: MBP/Guatemala City Microenterprise and Recycling Workshop: MBP/Quito AIMS SEEP on-going virtual workshop for Seep Evaluation Group CGAP virtual meetings on impact evaluation 3 AIMS workshops: Zimbabwe, Peru, Uganda 3 Microserve Best Practices Seminars: Bolivia (2), Sri Lanka  Planned targets have been increased to 10 for 98 and 99, from 5, as we expect that the Microserve, AIMS and MBP seminars will exceed 5.	<b>EAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	4	4
	97	5	17
	98	10	
	99	10	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION:</b> G/EGAD/MD			
<b>INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field</b>			
<b>INDICATOR 1.3.3:</b> Number of Missions served through G/EGAD/MD programs.			
<b>UNIT OF MEASURE:</b> Number of Missions served through Microserve, AIMS, MBP, IGP, PRIME and staff during the last calendar year.  <b>SOURCE:</b> G/EGAD/MD's Microserve, AIMS, PRIME reports and staff technical assistance.  <b>INDICATOR DESCRIPTION:</b>  <b>COMMENTS:</b> Missions served through MD programs in calendar year 97 include: In LAC: Bolivia, Dominican Republic., Ecuador, El Salvador, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Peru; In AFR: Botswana, Ghana, Guinea, Guinea-Bissau, Kenya, Malawi, Mali, Senegal, South Africa, Tanzania, Uganda, Zambia, Zimbabwe; In ANE: Cambodia, Egypt, India, Indonesia, Jordan, Morocco, Nepal, Philippines, Sri Lanka, West Bank/Gaza; In ENI: Romania.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	20	26
	97	25	34
	98	27	
	99	30	

**Indicator 1.4: Technical Leadership Exhibited** (This is a purely qualitative indicator, and there is no table associated with it):

G/EGAD/MD has retained a leadership role among donors. The Office's Director, as a renowned expert in the field, officially represented USAID and served as co-chair of the renewal of Consultative Group to Assist the Poorest (CGAP) for a second three year term. CGAP has become a highly visible donor coordinating body for 25 member donors, helping to coordinate efforts and set donor standards for microfinance investments.

MD office staff also played a leadership role on the working groups of CGAP. The Working Group on Impact held a very successful international "virtual" meeting, at which papers were presented and discussed electronically.

AIMS impact evaluation information was sought out and used by AUSAID, DFID (UK) and CDIR (a French NGO) to design important impact assessments.

Staff members represented USAID at a large number of international meetings of donors and practitioners. In most cases they served as panelists or presenters. Among the international events in which staff played a role were: the annual general CGAP meeting in the Philippines; the Rome CGAP Poverty Yardsticks workshop, the Geneva Donor Committee Meetings on Small Enterprise Development and Financial Sector Reform, the Egypt meeting of the Microfinance Network; the International Conference on Microfinance in Frankfurt, Germany; the Visions in Action conference in Washington, D.C.; and the World Bank's Technical Assessment Workshop in Tanzania. In the important new area of private sector investment in microfinance, a staff member acted as advisor to the Council on Corporations, organized by Monsanto Corporation as part of the Microcredit Summit.

A staff member was heavily involved in the development and presentation of the microenterprise component of the Lessons Without Borders event held in Knoxville, Tennessee. A staff member moderated a symposium on microfinance for the International Association of Agricultural Economists. Two staff members taught at the intensive Boulder summer course for microenterprise practitioners and donors. Three staff members taught university level classes and courses in the field.

This leadership effort continues under the Microenterprise Best Practices project, which is USAID's action research agenda to help move the frontiers of the microenterprise field forward. The MBP has assumed two major themes for the near future: the commercialization of microfinance, in which it will be looking at a variety of commercial actors, including banks; and the area of business development services, in which it seeks to make progress in understanding what kinds of interventions are most effective.

<p><b>Special Objective 1:</b></p> <p>Better access to finance and information for microenterprises and small businesses</p>	
<p><b>Intermediate Results</b></p>	
01.1 Create linkages between financial institutions and micro and small businesses	01.2 Encourage indigenous financial institutions to increase lending to micro and small businesses
<p><b>Indicators</b></p>	
01.1.1 Change in average loan size within an IFI's portfolio under LPG coverage, per year, over the course of the facility	01.2.1 Utilization rate as of Fiscal Year End (FYE) for the worldwide LPG portfolio

**SpO 1:** *Better Access to Finance and Information for Microenterprises and Small Businesses.*

**APPROVED:** 8/2/96

**COUNTRY/ORGANIZATION:** G/EGAD/CIS

**INTERMEDIATE RESULT 01.1:** Create linkages between formal financial institutions and micro and small businesses with the purpose of facilitating sustainable access to credit for those sectors.

**INDICATOR 01.1.1:** Change in average loan size within an IFI's portfolio under LPG coverage, per year, over the course of the facility.

**UNIT OF MEASURE:**

Average loan size by IFI under LPG coverage

**SOURCE:**

Quarterly qualifying loan schedules submitted by IFIs

**INDICATOR DESCRIPTION:**

Average size of loan or line of credit granted to borrower by IFI under LPG coverage.

**COMMENTS:**

The indicators seek to examine the characteristics of the LPG portfolio of loans by measuring change in average size of loans made by participating IFIs, Smaller loans suggest newer, smaller borrowers accessing IFIs.

**Note:** Preliminary figure for FY 1997 is a projection, pending complete review of loan coverage by all participating banks

YE A R	PLAN NE D	ACTUAL
93	\$9,500	\$8,462
96	\$8,000	\$7,734
97	\$7,900	\$6,159*
98	\$7,800	
99	\$7,700	



**SpO 1:** *Better Access to Finance and Information for Microenterprises and Small Businesses.*

**APPROVED:** 8/2/96

**COUNTRY/ORGANIZATION:** G/EGAD/CIS

**INTERMEDIATE RESULT 01.2:** Encourage indigenous financial institutions to increase lending to micro and small businesses.

**INDICATOR 01.2.1** Utilization rate for the entire LPG portfolio.

**UNIT OF MEASURE:** Utilization rate as of Fiscal Year End (FYE) for the worldwide LPG portfolio.

**SOURCE:**

Contractor reports

**INDICATOR DESCRIPTION:** Amount of total loans outstanding (guaranteed portion) as of FYE as a percentage of aggregate Guarantee Limits.

**COMMENTS:**

The indicator measures efficiency in identifying suitable IFIs for the LPG Program, determining the appropriate portfolio size, promoting active utilization of the guarantee facilities, managing and monitoring IFI performance, and taking actions to reduce (the size of) or terminate non-performing facilities.

\*Preliminary figures pending completion of loan schedules submitted by participating banks.

YE R	PLANNE D	ACTUAL
1992	50%	24%
1993	50%	32%
1994	40%	36%
1995	30%	30%
1996	35%	29%
1997	40%	24%*
1998	50%	

<p><b>Special Objective 2:</b></p> <p>Enhance the ability of indigenous business to become viable within markets</p>	
<p><b>Intermediate Results</b></p>	
02.1 Volunteer assistance enhances host-country business viability in emerging markets	02.2 Economically sustainable technologies create commercially viable small enterprises
<p><b>Indicators</b></p>	
02.1.1 Increased annual earning capacity resulting from consultancies completed	02.2.1 Annual total monetary benefits from sustainable economic activities
02.1.2 Increased annual employment opportunity	02.2.2 Disseminate business information to micro-entrepreneurs

SpO 2: Enhance the Ability of Indigenous Business to Become Viable with Emerging Markets

APPROVED: 6/97

COUNTRY/ORGANIZATION:G/EGAD/BD

INTERMEDIATE RESULT 02.1: Volunteer assistance enhances host country business viability in emerging markets

INDICATORS 02.1.1 and 02.1.2: Changes in Total Monetary Benefits of Enterprises Assisted

UNIT OF MEASURE:

SOURCE: IESC Client Survey

INDICATOR DESCRIPTION:

1. Increased annual earning capacity resulting from consultancies completed .

2. Increased annual employment opportunity.

COMMENTS:

Year	Planned	Actual
1997	\$200 million	\$200 million
2000	\$250 million	
1997	20,000 jobs	20,000 jobs
2000	25,000 jobs	

SpO 2: Enhance the Ability of Indigenous Businesses to Become Viable Within Emerging Markets APPROVED: April 11, 1997 COUNTRY/ORGANIZATION: G/EGAD/BD			
INTERMEDIATE RESULT 02.2: Economically Sustainable Technologies Create Commercially Viable Small Enterprises			
INDICATOR 02.2.1 and 02.2.2: Changes in Total Monetary Benefits of Enterprises Assisted			
UNIT OF MEASURE:  SOURCE:  INDICATOR DESCRIPTION: 1. Annual total monetary benefits from sustainable economic activities  2. Disseminate business information to micro-entrepreneurs  COMMENTS:	YEAR	PLANNED	ACTUAL
	1997	7,300,000	11,500,000
	2000	13,000,000	
	1997	125,000	250,000 people
	2000	300,000	

u:/annexb

## ANNEX B.1: PERFORMANCE DATA TABLES PART I

## ANNEX B: PERFORMANCE DATA TABLES

<p align="center"><b>Strategic Support Objective (SSO) 3:</b> Support appropriate and functioning economic policies, market reforms and institutions in selected emerging markets and priority countries.</p>				
<p align="center"><b>SSO Indicator</b> Changes in a composite index of economic growth indicators in emerging markets and priority countries (Policy Matrix Model)</p>				
<p align="center"><b>Intermediate Results</b></p>				
3.1 Increased host country privatization efforts and competitive market environments.	3.2. Increasingly liquid, transparent and rationalized financial markets.	3.3. Increased economic stability and structural reforms.	3.4. Increased application of legal, institutional and regulatory reforms for competitive markets.	3.5. Increased trade, investment and general business environment
<p align="center"><b>Indicators</b></p>				
3.1.1 Subsidies, paid by government to state-owned enterprises, as a percent of total government spending.	3.2.1 Changes in capital market flows within USAID-assisted countries as measured by DEPTH (M2/GDP)	3.3.1, 3.3.2 and 3.3.3 Government surplus/deficits as a % of GDP, inflation rates and foreign exchange reserves measured in number of months of import coverage.	3.4.1 Changes in Trade Openness (exports plus imports) as a % of GDP, within USAID-assisted countries.	3.5.1 Changes in levels of Foreign Direct Investment as a % of GDP.

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Less Subsidies Paid by the Central Government to State-Owned Nonfinancial Enterprises**

**INDICATOR 3.1.1: Subsidies as a Percentage of Total Government Expenditures**

**UNIT OF MEASURE: Subsidies/Expenditures (%)**

**SOURCE: The IMF's International Financial Statistics and Government Financial Statistics.**

**INDICATOR DESCRIPTION: The numbers used for subsidies are from line 3.1 in the GFS; the numbers used for central government expenditure are from line II from the same source.**

**COMMENTS: Data tend to be available only with two-year lags.**

YEAR	PLANNED	ACTUAL
1994	7.3	7.3
1995	6.7	5.4
1996	6.1	6.2
1997	5.5	
1998	4.9	
1999	4.3	
2000	3.7	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1994 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

**INDICATOR 3.1.1 Subsidies paid by the central government to state-owned nonfinancial enterprises as a percent of central government spending.**

UNIT OF MEASURE: Subsidies/Government Spending	COUNTRY	BASE YEAR 1994	BASE YEAR 1994 (revis ed)	INTERMED IATE RESULT 1996	PLANN ED YEAR 2000	ACT UAL YEA R 2000
	BOLIVIA	2.4%	2.5%	2.1%	1.2%	
	EGYPT	□	□	□	TBD	
	EL SALVADOR	9.3%	11.5 %	11.4%	4.7%	
SOURCE: GFS, IMF	GHANA	□	□	□	TBD	
	HAITI	□	□	□	TBD	
	INDIA	□	□	□	TBD	
INDICATOR DESCRIPTION: Provides an obtainable measure of change in government subsidization of its inefficient and money- losing enterprises.	INDONESIA	□	□	□	TBD	
	JORDAN	2.8%	6.5%	7.7%	1.4%	
	PERU	□	□	□	TBD	
	PHILIPPINES	□	□	□	TBD	
COMMENTS: There will inevitably be an approximately 2-year lag. The numbers used for subsidies is line 3.1 in the Government Financial Statistics of the IMF; the numbers for central government expenditure is the line II from the same source.	POLAND	2.9%	7.2%	5.9%	1.5%	
	RUSSIA	14.3%	11.6 %	□	7.2%	
	SOUTH AFRICA (Intermediate is 1995)	1.6%	4.6%	4.0%	0.8%	
	UKRAINE	13.1%	□	□	6.6%	
	ZIMBABWE	□	□	□	TBD	

□ - Data being collected.

TBD - to be determined.



SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM			
RESULT NAME: Increased Capital Market Flows as Measured by Monetary Depth			
INDICATOR 3.2.1: The broad monetary aggregate as a percentage of GDP			
UNIT OF MEASURE: M2/GDP (%)  SOURCE: The IMF's International Financial Statistics and the World Bank's World Development Indicators.  INDICATOR DESCRIPTION: A standard and accurate measure of the breadth and depth of change in financial markets within countries. The numbers used for M2 are the sum of lines 34 and 35 in the IFS.  COMMENTS: Data tend to be available with an approximately two-year lag.	YEAR	PLANNED	ACTUAL
	1995	34.6	34.6
	1996	35.6	36.1
	1997	36.7	
	1998	37.7	
	1999	38.8	
	2000	39.9	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995\* has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

<b>INDICATOR 3.2.1 Capital market flows within USAID-assisted countries as measured by DEPTH (M2/GDP).</b>						
UNIT OF MEASURE: M2/GDP for selected USAID-assisted countries	<b>COUNTRY</b>	<b>BASE YEAR 1995</b>	<b>BASE YEAR 1995 (revised)</b>	<b>INTERME DI ATE RESULT 1996</b>	<b>PLANN ED YEAR 2000</b>	<b>ACTU AL YEAR 2000</b>
	BOLIVIA	44.9%	40.9%	□	48%	
	EGYPT	98.6%	79.4%	79.0%	TBD	
	EL SALVADOR	36.1%	38.3%	40.1%	40%	
SOURCE: WDR, IFS	GHANA	15.4%	18.3%	□	20%	
	HAITI	42.9%	35.4%	34.0%	47%	
	INDIA	46.0%	47.8%	□	49%	
INDICATOR DESCRIPTION: A standard and accurate measure of the breadth and depth of change in financial markets within countries.	INDONESIA	40.6%	48.0%	52.1%	44%	
	JORDAN	104.5 %	102.9 %	92.2%	TBD	
	PERU	17.2%	18.8%	22.9%	22%	
	PHILIPPINES	45.4%	50.4%	53.8%	48%	
COMMENTS: There will inevitably be an approximately 2-year lag. The numbers used for M2 are the sum of the lines 34 and 35 in the International Financial Statistics.	POLAND	31.8%	36.5%	□	40%	
	RUSSIA	11.6%	16.9%	16.3%	20%	
	SOUTH AFRICA	51.7%	56.4%	57.7%	55%	
	UKRAINE	13.1%	12.7%	11.6%	20%	
	ZIMBABWE	25.6%	25.6%	□	30%	

□ - Data being collected.

TBD - to be determined.

SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM			
RESULT NAME: Improved Management of the Government's Fiscal Balance			
INDICATOR 3.3.1: Government surplus or deficit as a percentage of GDP			
UNIT OF MEASURE: Deficit (-) or Surplus (+)/GDP (%)  SOURCE: The IMF's International Financial Statistics and Government Financial Statistics.  INDICATOR DESCRIPTION: This measure of economic stabilization, along with price stability and reserves data, provides an excellent insight into the direction of the economy.  COMMENTS: Data tend to be available only with a two-year lag.	YEAR	PLANNED	ACTUAL
	1995	-2.6	-2.6
	1996	-2.2	-2.2
	1997	-1.8	
	1998	-1.4	
	1999	-1.0	
	2000	-0.7	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

<b>INDICATOR 3.3.1 Government surplus/deficits as a percent of GDP.</b>						
UNIT OF MEASURE: Government surplus or deficits as a percentage of GDP.	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised)	INTERMEDIATE RESULT 1996	PLANNED YEAR 2000	ACTUAL YEAR 2000
	BOLIVIA	-3.6%	- 1.8%	-1.9%	-1.2%	
	EGYPT	2.0%	□	□	0.6%	
	EL SALVADOR	-0.8%	- 0.9%	-2.5%	-0.3%	
sources: WDR, IFS, BOP, EBRD	GHANA	-4.7%	□	□	-1.0%	
	HAITI	- 10.8%	- 10.8 %	-8.6%	-2.0%	
	INDIA	-6.5%	- 6.0%	□	-4.0%	
INDICATOR DESCRIPTION: This measure of economic stabilization, along with price stability and reserves data, provides an excellent insight into the direction of the economy.	INDONESIA	0.6%	2.2%	1.2%	0.2%	
	JORDAN	1.1%	0.3%	1.5%	0.4%	
	PERU	3.0%	- 1.3%	2.4%	1.0%	
	PHILIPPINES	-1.5%	0.6%	0.3%	-0.5%	
COMMENTS: These data are readily available but there will likely be a lag in collecting them.	POLAND	-2.3%	- 2.0%	-1.7%	-0.8%	
	RUSSIA	- 10.5%	- 4.3%	-6.5%	-3.5%	
	SOUTH AFRICA	-6.2%	- 5.4%	-5.7%	-2.0%	
	UKRAINE	-4.9%	- 4.9%	-3.2%	-3.0%	
	ZIMBABWE	□	□	□	-2.0%	

□ - Data being collected.

TBD - to be determined.

SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM			
RESULT NAME: Lowered Inflation Rates in Countries			
INDICATOR 3.3.2: Three-Year Moving Average of Annual Percentage Change in the GDP Deflator			
UNIT OF MEASURE: GDP Deflator (% change)  SOURCE: The IMF's International Financial Statistics.  INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and reserves data, provides an excellent insight into the direction of the economy.  COMMENTS: Data tend to be available with a minimum lag. Because inflation rates can be volatile, the three-year moving average is used to capture underlying trends.	YEAR	PLANNED	ACTUAL
	1995	188.6	188.6
	1996	152.1	57.6
	1997	115.6	
	1998	79.2	
	1999	42.7	
	2000	6.2	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995\* has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target reduction that is of constant magnitude.

INDICATOR 3.3.2 Inflation Rate.						
UNIT OF MEASURE: Average Annual Inflation Rate Measured by GDO Deflator, over a three-year period.	COUNTRY	BASE YEAR S 1993- 95	BASE YEARS 1993-95 (revised)	INTERMED IATE RESULT 1994-96	PLANN ED YEARS 1998- 2000	ACTUA L YEARS 1998- 2000
	BOLIVIA	8.9%	8.8%	10.3%	3.0%	
	EGYPT	8.3%	8.3%	7.7%	6.0%	
	EL SALVADOR	10.4 %	11.6%	9.7%	3.5%	
sources: WDR, IFS, BOP, EBRD	GHANA	33.1 %	32.7%	35.7%	6.0%	
	HAITI	30.4 %	31.0%	31.5%	3.0%	
	INDIA	9.5%	8.7%	8.6%	6.0%	
INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and reserves data, provides an excellent insight into the direction of the economy.	INDONESIA	7.9%	12.3%	8.7%	5.0%	
	JORDAN	4.3%	3.0%	3.6%	4.0%	
	PERU	15.5 %	25.6%	13.3%	3.0%	
	PHILIPPINES	8.7%	8.1%	8.8%	6.0%	
COMMENTS: These data are readily available but there will likely be a lag in collecting them.	POLAND	28.3 %	31.8%	26.6%	5.0%	
	RUSSIA	250 %	460%	184%	8.0%	
	SOUTH AFRICA	10.3 %	9.8%	8.9%	3.5%	
	UKRAINE	617 %	1989%	449%	10.0%	
	ZIMBABWE	25.0 %	24.2%	22.1%	5.0%	

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Increased Foreign Exchange Reserves**

**INDICATOR 3.3.3: Gross International Reserves Measured as Months of Import Cover**

**UNIT OF MEASURE: Reserves/Imports per Month (number of months)**

**SOURCE: The IMF's International Financial Statistics and Balance of Payments Statistics.**

**INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and price stability, provides an excellent insight into the direction of the economy.**

**COMMENTS: Data tend to be available with a lag. The numbers used for Gross International Reserves are line 11.d in the IFS; the numbers for imports are for goods and services, or lines 78abd and 78aed.**

**YEAR PLANNED ACTUAL**

1994 4.1 4.1

1995 4.3 4.4

1996 4.5 4.8

1997 4.7

1998 4.8

1999 5.0

2000 5.2

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1994 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

### INDICATOR 3.3.3 Foreign Exchange Reserves as Months of Import Coverage

UNIT OF MEASURE: Gross International Reserves as Months of Import Cover.	COUNTRY	BASE YEAR 1994	BASE YEAR 1994 (revised)	INTERMEDIATE RESULT 1996	PLANNED YEAR 2000	ACTUAL YEAR 2000
	BOLIVIA	5.8	3.7	6.0	5.0	
	EGYPT	10.7	10.3	11.4	7.0	
	EL SALVADOR	3.4	2.7	3.6	6.0	
sources: WDR, IFS, BOP, EBRD	GHANA	3.9	3.5	4.2	6.0	
	HAITI	□	1.6	1.7	5.0	
	INDIA	6.7	6.2	4.5	7.0	
INDICATOR DESCRIPTION: This measure of economic stabilization, along with government budget balance and price stability, provides an excellent insight into the direction of the economy.	INDONESIA	3.2	3.3	3.8	5.0	
	JORDAN	5.0	4.6	4.0	6.0	
	PERU	9.7	11.7	12.8	7.0	
	PHILIPPINES	3.1	2.8	3.4	4.0	
COMMENTS: These data are readily available but there will likely be a lag in collecting them. The numbers used for Gross International Reserves are line 11.d in the IFS; the numbers for imports are for goods and services, or lines 78abd and 78aed.	POLAND	2.8	3.2	5.8	6.0	
	RUSSIA	1.5	0.7	1.5	6.0	
	SOUTH AFRICA	1.3	0.8	0.3	4.5	
	UKRAINE	□	1.8	4.6	6.0	
	ZIMBABWE	3.2	1.9	□	6.0	

□ - Data being collected.



**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Increased Trade Openness in a Country**

**INDICATOR 3.4.1: Total Trade (Exports plus Imports ) as a percentage of GDP**

**UNIT OF MEASURE: (X+M)/GDP (%)**

**SOURCE: The IMF's International Financial Statistics and Balance of Payments Statistics.**

**INDICATOR DESCRIPTION: Exports and imports are measured in U.S. dollars as part of the balance of payments; GDP is measured in local currency and then converted into U.S. dollars.**

**COMMENTS: Data tend to be available an average lag.**

YEAR	PLANNED	ACTUAL
1995	51.3	51.3
1996	53.3	53.2
1997	55.3	
1998	57.4	
1999	59.4	
2000	61.4	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

**INDICATOR 3.4.1 Trade Openness within USAID-assisted countries as measured by exports plus imports (X+M) as a percent of GDP.**

UNIT OF MEASURE: (X+M)/GDP	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised )	INTERMED IATE RESULT 1996	PLANN ED YEAR 2000	ACTUA L YEAR 2000
	BOLIVIA	47.4%	49.5 %	□	50%	
	EGYPT	53.6%	46.3 %	47.1%	59%	
	EL SALVADOR	55.2%	59.3 %	54.6%	65%	
sources: WDR, IFS, BOP, EBRD	GHANA	58.6%	59.9 %	□	62%	
	HAITI	17.0%	38.9 %	42.9%	20%	
	INDIA	27.2%	□	□	32%	
INDICATOR DESCRIPTION: Describes changes in trade openness as an indicator of institutional, legal, and regulatory functioning in a competitive environment.	INDONESIA	52.9%	54.0 %	52.5%	60%	
	JORDAN	120.9 %	126.2 %	125.1%	TBD	
	PERU	30.0%	28.5 %	28.3%	32%	
	PHILIPPINES	80.3%	80.5 %	93.7%	110%	
COMMENTS: These data are available but there will likely be a lag in collecting them. The numbers used for exports are line 90c in the IFS; for imports, line 98c; and for GDP, line 99b. All data are in nominal terms.	POLAND	54.3%	37.6 %	42.7%	58%	
	RUSSIA	44.0%	42.6 %	34.8	47%	
	SOUTH AFRICA	44.2%	□	□	47%	
	UKRAINE	38.3%	□	□	41%	
	ZIMBABWE	74.3%	□	□	78%	

□ - Data being collected.

TBD - to be determined.

**SSO3: Support for Appropriate and Functioning Economic Policies, Market Reforms, and Institutions for Emerging Markets and Selected Countries**

**APPROVED: 04/15/97 COUNTRY/ORGANIZATION: G/EGAD/EM**

**RESULT NAME: Increased Foreign Direct Investment in a Country**

**INDICATOR 3.5.1: FDI as a percentage of GDP**

**UNIT OF MEASURE: FDI/GDP (%)**

**SOURCE: The IMF's International Financial Statistics and Balance of Payments Statistics.**

**INDICATOR DESCRIPTION: FDI is measured in U.S. dollars as part of the balance of payments; GDP is measured in local currency and then converted into U.S. dollars.**

**COMMENTS: Data tend to be available only with unusually long lags.**

YEAR	PLANNED	ACTUAL
1995	1.3	1.3
1996	1.5	1.4
1997	1.7	
1998	1.8	
1999	2.0	
2000	2.2	

Planned and actual data represent the unweighted average for 15 USAID-assisted countries. The average number for 1995 has been revised over the past year, reflecting changes in official data. As a result, planned averages for the succeeding years have been changed slightly in order to maintain a planned target increase that is of constant magnitude.

**INDICATOR 3.5.1 Changes in levels of Foreign Direct Investment (FDI) as a percentage of GDP.**

UNIT OF MEASURE: FDI/GDP	COUNTRY	BASE YEAR 1995	BASE YEAR 1995 (revised)	INTERMED IATE RESULT 1996	PLANN ED YEAR 2000	ACTUA L YEAR 2000
	BOLIVIA	2.4%	2.2%	4.9%	2.6	
	EGYPT	1.3%	1.0%	0.9%	2.5	
	EL SALVADOR	0.4%	0.4%	□	1.2	
sources: WDR, IFS, BOP, EBRD	GHANA	3.6%	3.6%	□	4.5	
	HAITI	0.1%	0.1%	□	1.0	
	INDIA	0.4%	0.4%	□	1.2	
INDICATOR DESCRIPTION: Measures the flow of FDI into a country as a percentage of GDP.	INDONESIA	2.2%	1.0%	□	4.0	
	JORDAN	0.7%	0.2%	0.2%	1.0	
	PERU	3.3%	□	□	3.3	
	PHILIPPINES	2.0%	2.0%	□	4.0	
COMMENTS: These data are available but there will likely be a lag in collecting them. The numbers used for FDI are line 78bed in the IFS; for GDP, line 99b after it has been converted into U.S. dollars at the average exchange rate. All data are in nominal terms.	POLAND	3.1%	□	□	3.2	
	RUSSIA	0.6%	□	□	2.0	
	SOUTH AFRICA	0.002 %	□	□	1.0	
	UKRAINE	0.3%	□	□	1.5	
	ZIMBABWE	0.6%	□	□	1.2	

□ - Data being collected.

<p><b>Special Objective 3:</b> Expand technology transfer by U. S. business [directly to business in developing countries and transitional countries]</p>
<p><b>Intermediate Results</b></p>
<p>03.1 Expanded outreach of business and trade opportunities</p>
<p><b>Indicators</b></p>
<p>03.1.1 Public and private sector contacts</p>
<p>03.1.2 Public and private sector requests</p>

SpO 3: Expand Technology Transfer by U.S. Business (GTN) APPROVED: 6/97      COUNTRY/ORGANIZATION: G/EGAD/BD			
RESULT NAME: Expanded outreach of business and trade opportunities			
INDICATORS 03.1.1 and 03.1.2: Increase public and private sector contacts with GTN and GTN regional offices			
UNIT OF MEASURE: Number  SOURCE: GTN Report tracking systems  INDICATOR DESCRIPTION: COMMENTS:  Public and Private Sector Contacts (GTN)  Public and Private Technology Requests (GTN)	YEAR	PLANNED	ACTUAL
	1997	5,000	162,623
	2000	200,000	
	1997	750	1,336
	2000	1,000	

u:\annexb.1

## ANNEX B.2: PERFORMANCE DATA TABLES PART II

<b>Strategic Support Objective 2:</b> Improved food availability, economic growth and conservation of natural resources through agricultural development. <b>Indicator</b> Increases in per-capita food production at a global/regional level.			
<b>Intermediate Results</b>			
2.1 Sustainable technologies and policies that enhance food availability developed and adopted.	2.2 Policies and technologies that improve food access and agribusiness opportunities developed and adopted.	2.3 Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.	2.4 An information system established to enhance decision making for the agricultural sector developed and adopted.
<b>Indicators</b>			
2.1.1 Increased yields and/or reduced production costs for targeted crops/commodities in selected countries.	2.2.1 Reduction in proportion of income spent on food in selected countries.	2.3.1 Reduction in water pollution and sedimentation of watersheds in selected countries.	2.4.1 Data and analyses from this system support Intermediate Results 2.1, 2.2 and 2.3.
2.1.2 Increased food production by region/country.	2.2.2 Increased private sector participation in selected countries.	2.3.2 Improvements in land use patterns in selected countries.	2.4.2 Partnerships with other stakeholders to develop the global research monitoring system.
	2.2.3 Improved nutritional status in developing countries.		2.4.3. Draft indicator framework developed.
			2.4.4. Data collection, analyses and presentation standards established.
			2.4.5. Number of donors using the system and benefitting from the results.



SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.

APPROVED: 6/97

COUNTRY/ORGANIZATION: G/EGAD/AFS

SSO 2 INDICATOR 1: Per-capita food production in all countries

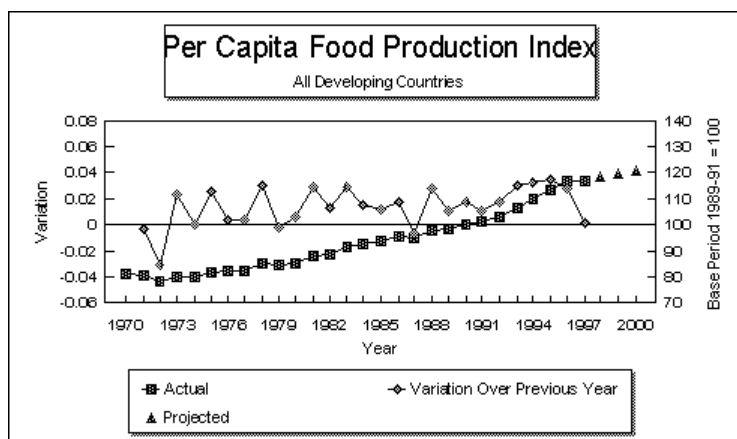
UNIT OF MEASURE: Per-capita food production index.

SOURCE: FAO

INDICATOR DESCRIPTION: Index of per capita food production: all developing countries.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 1.6% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		106.2
1994		109.7
1995		113.5
1996		116.6
1997	116.9	116.7
1998	118.5	
1999	119.5	
2000 (T)	120.9	

**SSO2** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**SSO 2 INDICATOR 1a** Increases in per-capita food production in Africa.

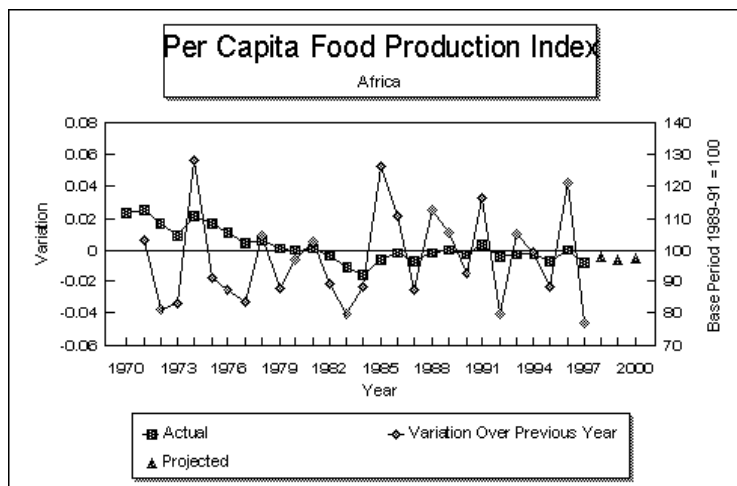
**UNIT OF MEASURE:** Per-capita food production index

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of per capita food production: Africa.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. The index has been below 100 in Africa since 1981 and has decreased over a 27-year period. The planned indicators represent a decrease of 0.4% from the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		98.5
1994		98.4
1995		96.1
1996		100.1
1997	98.1	95.5
1998	97.4	
1999	96.1	
2000 (T)	96.4	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**SSO 2 INDICATOR 1b:** Per-capita food production in Asia.

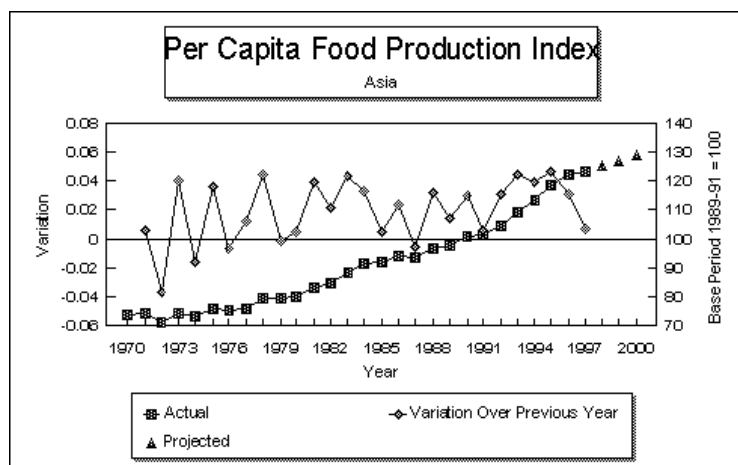
**UNIT OF MEASURE:** Per-capita food production index.

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of per capita food production: Asia.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 2.1% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		109.1
1994		113.4
1995		118.6
1996		122.3
1997	123.0	123.1
1998	125.2	
1999	126.6	
2000 (T)	128.4	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**SSO 2 INDICATOR 1c:** Per-capita food production in Latin America.

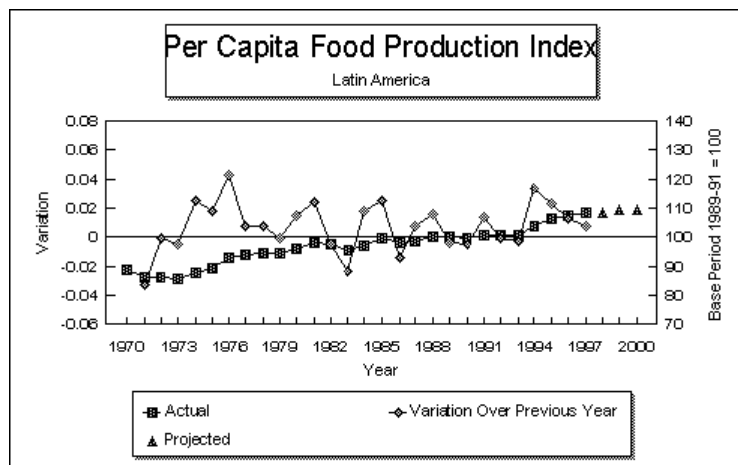
**UNIT OF MEASURE:** Per-capita food production index.

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of per capita production: Latin America.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 0.7% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		100.4
1994		103.7
1995		106.1
1996		107.4
1997	107.4	108.2
1998	108.3	
1999	108.8	
2000 (T)	109.1	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.1a:** Average combined yield of all cereals in all developing countries.

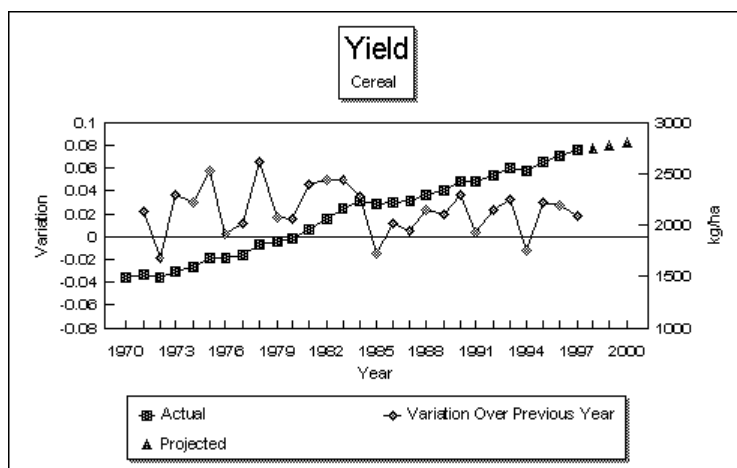
**UNIT OF MEASURE:** Kilograms per hectare

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Average combined yield of cereals (primarily wheat and rice with small quantities of other cereal grains), all developing countries.

**COMMENTS:**

1. The baseline index represents a three-year average for the 1989 - 91 period.
2. The 1997 yield figure is preliminary.
3. Historical data for the 1970-97 period are used to indicate trends.
4. Projections for 1998 - 2000 represent an increase of 1.5% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		2,395
1994		2,535
1995		2,610
1996		2,681
1997	2,685	2,730
1998	2,746	
1999	2,779	
2000 (T)	2,804	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.1b:** Average combined yield of coarse grains in all developing countries.

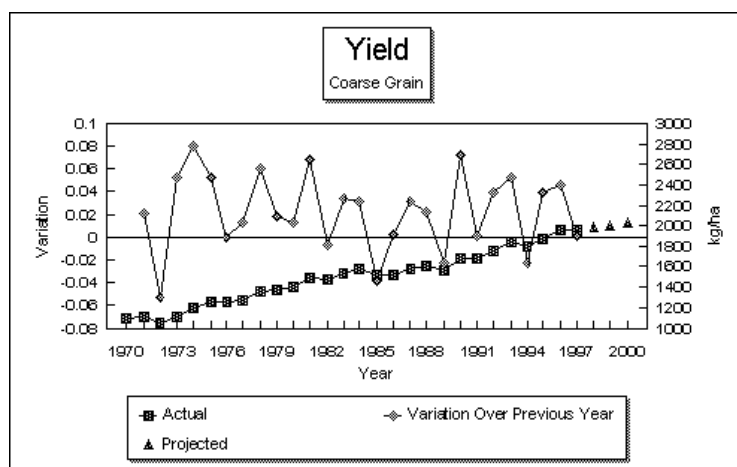
**UNIT OF MEASURE:** Kilograms per hectare

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Average combined yield of coarse grains (corn, barley, rye, oats, millet and sorghum), all developing countries.

**COMMENTS:**

1. The baseline index represents a three-year average for the 1989 - 91 period.
2. The 1997 yield figure is preliminary.
3. Historical data for the 1970-97 period are used to indicate trends.
4. Projections for 1998 - 2000 represent an increase of 1.5% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		1,647
1994		1,801
1995		1,873
1996		1,959
1997	1,949	1,960
1998	1,993	
1999	2,010	
2000 (T)	2,036	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.1c:** Average combined yield of root crops in all developing countries.

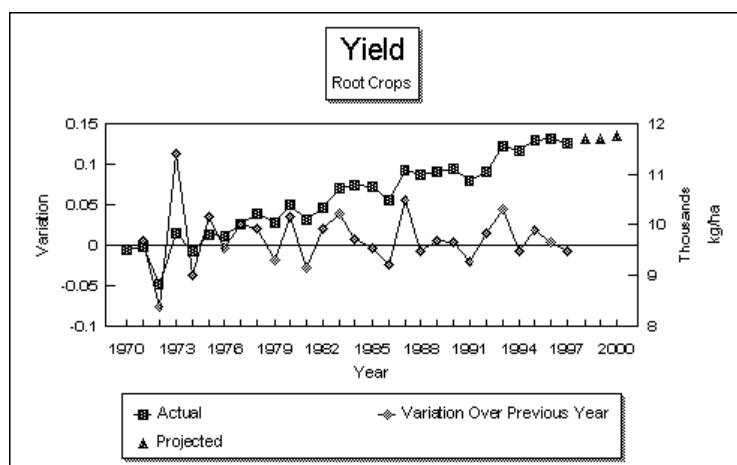
**UNIT OF MEASURE:** Kilograms per hectare

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Average combined yield of root crops (potatoes, sweet potatoes, cassava, yams and taro), all developing countries.

**COMMENTS:**

1. The baseline index represents a three-year average for the 1989 - 91 period.
2. The 1997 yield figure is preliminary.
3. Historical data for the 1970-97 period are used to indicate trends.
4. Projections for 1998 - 2000 represent an increase of 1.5% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		11,009
1994		11,451
1995		11,661
1996		11,697
1997	11,726	11,603
1998	11,697	
1999	11,697	
2000 (T)	11,744	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.1d:** Average combined yield of pulses in all developing countries.

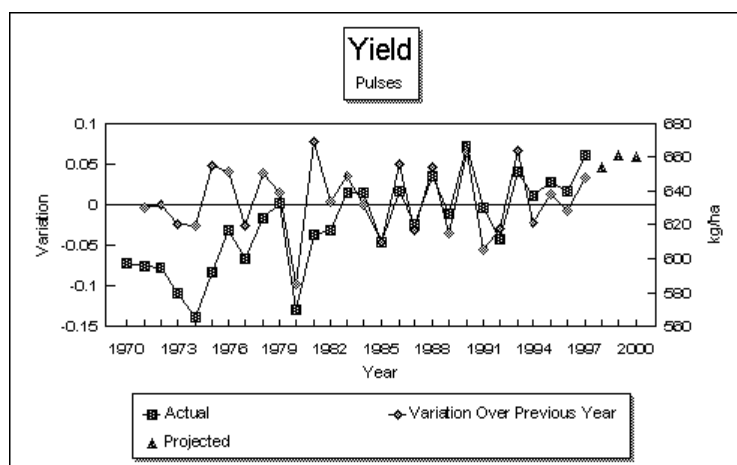
**UNIT OF MEASURE:** Kilograms per hectare

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Average combined yield of pulses (dry beans, bread beans, dry peas, cowpeas, chickpeas and lentils), all developing countries.

**COMMENTS:**

1. The baseline index represents a three-year average for the 1989 - 91 period.
2. The 1997 yield figure is preliminary.
3. Historical data for the 1970-97 period are used to indicate trends.
4. Projections for 1998 - 2000 represent an increase of 1.5% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		641
1994		637
1995		645
1996		640
1997	646	661
1998	654	
1999	661	
2000 (T)	661	



**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.2:** Index of Food Production in all developing countries.

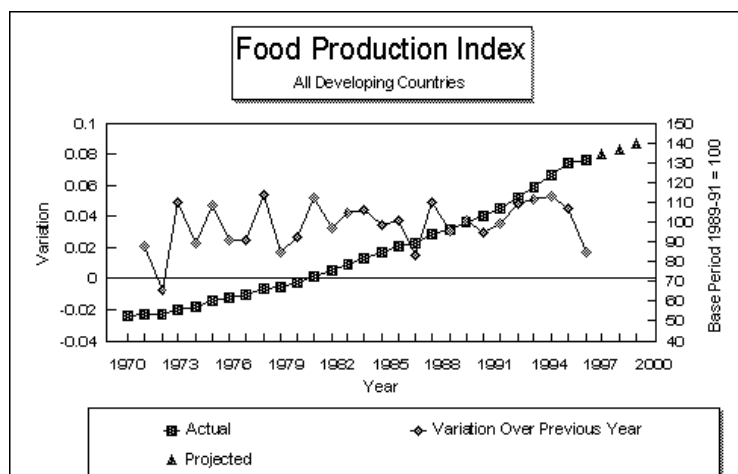
**UNIT OF MEASURE:** Food production index.

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of food production: all developing countries.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 3.0% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		112.1
1994		117.8
1995		124.0
1996		129.6
1997	130.6	131.8
1998	134.6	
1999	137.2	
2000 (T)	140.0	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.2a:** Index of Food production in Africa.

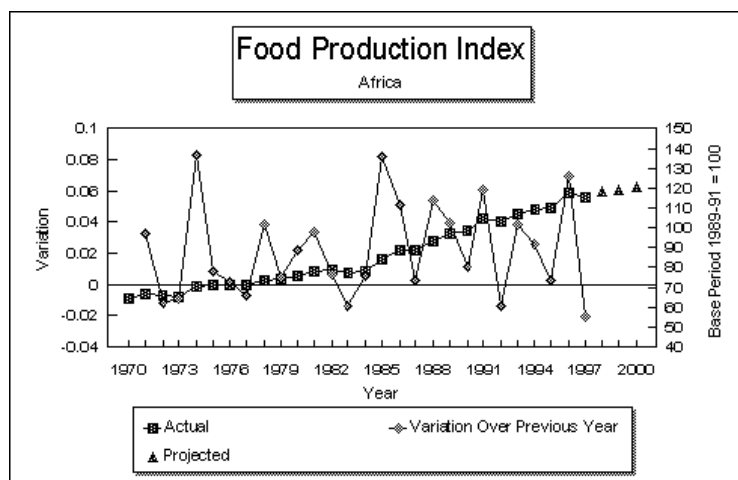
**UNIT OF MEASURE:** Food production index.

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of food production: Africa.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 1.8% over the average of the previous two years. Production in Africa is particularly volatile.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		106.7
1994		109.5
1995		109.8
1996		117.4
1997	115.6	115.0
1998	117.9	
1999	118.2	
2000 (T)	119.7	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.2b:** Index of food production in Asia.

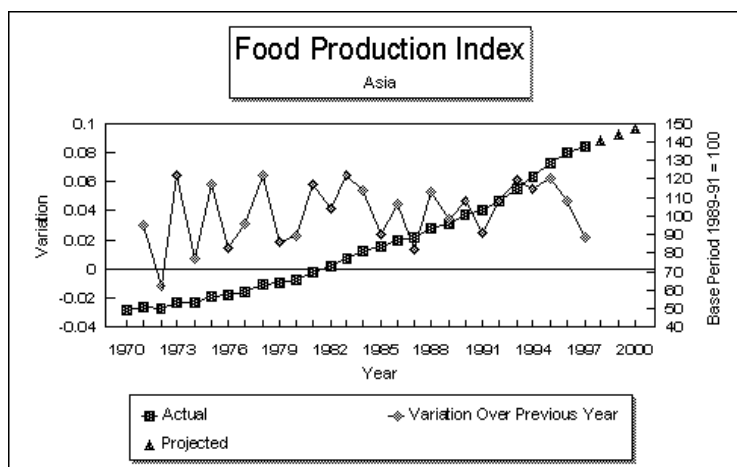
**UNIT OF MEASURE:** Food production index.

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of food production: Asia.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 3.4% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		114.6
1994		120.9
1995		128.4
1996		134.4
1997	135.9	137.3
1998	140.6	
1999	143.8	
2000 (T)	147.2	

**SSO2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.1:** Sustainable technologies and policies that enhance food availability developed and adopted.

**INDICATOR 2.1.2c:** Index of food production in Latin America.

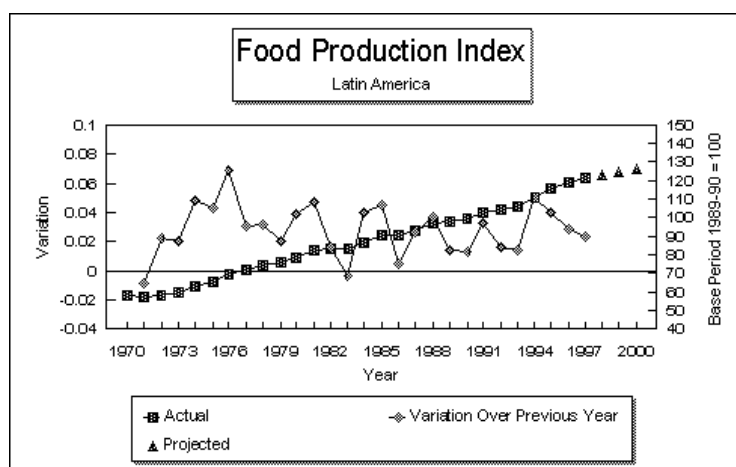
**UNIT OF MEASURE:** Food production index.

**SOURCE:** FAO

**INDICATOR DESCRIPTION:** Index of food production: Latin America.

**COMMENTS:**

1. The index is based on price-weighted quantities of production.
2. The baseline index represents a three-year average for the 1989 - 91 period.
3. The 1997 index is a preliminary estimate.
4. Historical data for the 1970-97 period are used to indicate trends.
5. Projections for 1998 - 2000 represent an increase of 2.0% over the average of the previous two years.



YEAR	PLANNED	ACTUAL
1989-91 (B)		100.0
1993		105.8
1994		111.1
1995		115.5
1996		118.8
1997	119.5	121.6
1998	122.7	
1999	124.7	
2000 (T)	126.3	

**SSO 2:** Improved food availability, economic growth and conservation of natural resources through agricultural development.

**APPROVED:** 6/97

**COUNTRY/ORGANIZATION:** G/EGAD/AFS

**INTERMEDIATE RESULT 2.2:** Policies and technologies that improve food access and agribusiness opportunities developed and adopted.

**INDICATOR 2.2.2:** Increased private sector participation in selected countries.

**UNIT OF MEASURE:**

Freedom to participate in a market economy, 0-2 scale. A designation of "2" indicates most free.

**SOURCE:** Freedom House

**INDICATOR DESCRIPTION:**

The ability to participate in a market economy is an indicator for favorable policy change.

**COMMENTS:**

Work in IR 2.4 is expected to contribute to the measurement of this indicator.

<u>COUNTRY</u>	'95	'97 P/A	'98 P/A	'99 P/A
Bolivia	1	1/1	1	2
Peru	1	1/1	1	2
Senegal	1	1/1	2	2
El Salvador	1	1/1	2	2
Kenya	1	1/1	1	2
Egypt	1	1/1	1	2
Mozambique	1	1/1	1	2
Haiti	1	1/1	1	2
Indonesia	0	0/0	0	1
Kazakhstan	0	0/0	1	1

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development. COUNTRY/ORGANIZATION: G/EGAD/AFS			
INTERMEDIATE RESULT2.3: Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.			
INDICATOR 2.3.1 Reduction in water pollution and sedimentation of watersheds in selected countries.			
UNIT OF MEASURE: Tons of soil loss per hectare.	YEAR	PLANNED	ACTUAL
SOURCE: Project research	1994-96		87
INDICATOR DESCRIPTION: Data represent soil loss by slash and burning farming minus soil loss by recommended conservation practice.	1997	85	107
COMMENTS: This is science-based data showing additional soil loss by traditional farming practices. Tying soil on the steep hillsides by roots of a living hedge or terraces reduces soil loss by 80%. In 1997 El Nino rains increased erosion. Data on reducing watershed erosion by conservation practices will featured next year.	1998	84	
	1999	83	
	2000	82	

SSO2: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
COUNTRY/ORGANIZATION: G/EGAD/AFS			
INTERMEDIATE RESULT2.3: Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.			
INDICATOR 2.3.2: Improvements in land use patterns globally.			
UNIT OF MEASURE: Percent of fragile lands degraded.	YEAR	PLANNED	ACTUAL
SOURCE: FAO	1985		79
INDICATOR DESCRIPTION:	1990		80
COMMENTS: Most of the fragile lands are located in the tropics and are easily degraded by depletion of nutrients and erosion. Low yields (kg/ha) indicate soil degradation.	1997	80	81
	1998	79	
	2000	77	

<b>Special Objective 4:</b> <b>Increased Science and Technology Cooperation among Middle Eastern and Developing Countries</b>	
<b>Intermediate Results</b>	
4.1 Collaboration between Israeli and other Middle Eastern and developing countries	4.2 Israeli agricultural technical expertise transferred to Middle Eastern and developing countries
<b>Indicators</b>	
4.1.1 Increased number of joint publications	4.2.1 Sustained 1996 level of farmers and extension agents trained in agricultural technologies
4.1.2 Increased number of exchanges of technical people between countries	4.2.2 Sustained 1996 level of technical assistance consultancies in developing countries
4.1.3 Increased number of regional meetings and workshops per year	4.2.3 Increased number of trainees from Middle Eastern countries



SpO4: Increased science and technology cooperation among Middle Eastern and developing countries. <b>APPROVED:</b> 6/97 <b>COUNTRY/ORGANIZATION:</b> G/EGAD/IP			
<b>INTERMEDIATE RESULT 4.1:</b> Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
<b>INDICATOR 4.1.1:</b> Increased number of joint publications			
<b>UNIT OF MEASURE:</b> Number of publications authored by both Israeli and Middle Easter or developing country scientists. <b>SOURCE:</b> Annual grant reports <b>INDICATOR DESCRIPTION:</b> Number is cumulative across all grants in MERC and CDR . <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996		25
	1997	35	32
	1998	50	
	1999	60	

<b>SpO4: Increased science and technology cooperation among Middle Eastern and developing countries</b> <b>APPROVED:</b> 6/97 <b>COUNTRY/ORGANIZATION:</b> G/EGAD/IP			
<b>INTERMEDIATE RESULT 4.1:</b> Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
<b>INDICATOR 4.1.2:</b> Increased number of exchanges of technical people between countries.			
<b>UNIT OF MEASURE:</b> Number of cross-country visits for research implementation and training per grant per year. <b>SOURCE:</b> <u>Annual grant reports</u> <b>INDICATOR DESCRIPTION:</b> Physical exchanges of people between countries. <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996		1.5
	1997	3	2.7
	1998	4	
	1999	5	

SSO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: 6/97		COUNTRY/ORGANIZATION: G/EGAD/IP	
INTERMEDIATE RESULT 4.1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
INDICATOR 4.1.3: Increased number of regional meetings and workshops per year.			
UNIT OF MEASURE: Number of meetings and workshops in the Middle East or developing countries per year. <u>SOURCE: Annual grant reports</u> INDICATOR DESCRIPTION: Number is cumulative across all grants in MERC and CDR . COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		10
	1997	15	17
	1998	20	
	1999	25	

SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.			
APPROVED: 6/97		COUNTRY/ORGANIZATION: G/EGAD/IP	
INTERMEDIATE RESULT 4.2: Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
INDICATOR 4.2.1: Sustained 1996 level of farmers and extension agents trained in agricultural technologies			
UNIT OF MEASURE: Number of trainees SOURCE: MASHAV training records INDICATOR DESCRIPTION: Numbers of persons attending courses COMMENTS:	YEAR	PLANNED	ACTUAL
	1996		4000
	1997	4000	4244
	1998	4000	
	1999	4000	

<b>SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.</b>			
<b>APPROVED:</b> 6/97 <b>COUNTRY/ORGANIZATION:</b> G/EGAD/IP			
<b>INTERMEDIATE RESULT 4.2:</b> Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
<b>INDICATOR 4.2.2:</b> Sustained 1996 level of technical assistance consultancies in developing countries.			
<b>UNIT OF MEASURE:</b> Number of consultancies <b>SOURCE:</b> MASHAV records <b>INDICATOR DESCRIPTION:</b> Includes number of short and long-term consultancy programs <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996		90
	1997	90	78
	1998	80	
	1999	90	

<b>SpO4: Increased science and technology cooperation among Middle Eastern and developing countries.</b> <b>APPROVED:</b> 6/97 <b>COUNTRY/ORGANIZATION:</b> G/EGAD/IP			
<b>INTERMEDIATE RESULT 4.2:</b> Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
<b>INDICATOR 4.2.3:</b> Increased number of trainees from Middle Eastern countries.			
<b>UNIT OF MEASURE:</b> Number of trainees <b>SOURCE:</b> MASHAV training records <b>INDICATOR DESCRIPTION:</b> Number of persons attending courses. <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996		600
	1997	800	601
	1998	650	
	1999	650	

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## ANNEX B.3: PERFORMANCE DATA TABLES PART III

### **Strategic Support Objective 1:**

Improved Access to Financial and Non-Financial Services for Micro-enterprises of the Poor

#### **Indicator**

- Number of active borrowers and savers in USAID-assisted micro-enterprise programs worldwide
- Percent of women and clients in USAID-supported micro-enterprise programs

#### **Intermediate Results**

1.1 Expanded delivery of financial services to microentrepreneurs.

1.2 Increased capability of financial and non-financial institutions to service microenterprises.

1.3 Expanded dissemination of best practices in USAID-supported programs & in the microenterprise development field.

#### **Indicators**

1.1.1 No. of active borrowers at institutions supported by MD programs.

1.2.1 No. of operationally sustainable institutions supported by MD programs.

1.3.1 No. of institutional assessments conducted under MD programs during last calendar year.

1.1.2 Percentage of women in MD-supported programs.

1.2.2 Average portfolio at risk in MD-supported programs.

1.3.2 No. conferences and training events to disseminate best practices.

1.1.3 No. of savers at institutions supported by MD.

1.2.3 No. of institutions supported by MD programs meeting client outreach targets.

1.3.3 No. of missions served through MD programs and staff.



SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor

APPROVED: 6/97

COUNTRY/ORGANIZATION: G/EGAD/MD

INDICATOR 1.1: Number of active borrowers in USAID-supported programs world-wide

<div>UNIT OF MEASURE: Number of active borrowers</div> <div>SOURCE: .</div> <div>Surveys of USAID ME programs</div> <div>INDICATOR DESCRIPTION:</div> <div>COMMENTS:</div> <div>1994 data is derived from the 1994 MEMS survey. 1996 data is from the 1996 MRR survey of USAID funded institutions. Future data will utilize that same source.</div> <div>The percentage of women for 1994 ME programs world-wide was 68% and for 1996 ME programs 66% The average loan size worldwide for programs in 1996 was \$307.</div> <div>The 1996 MRR collected data only on programs which received USAID funds in FY 96. In 1997, MRR will be collecting data on the entire universe of ME programs with an active grant with USAID.</div> <div>Given the actual performance in 1996, the targets for later years have been increased. They are based on the 15% increase in number of clients receiving services, as pledged in the Microenterprise Initiative Renewal in July 1997.</div>		PLANNED	ACTUAL
	94	(Baseline)	331,243
	96	360,000	981,654
	97	1,150,000	
	98	1,325,000	
	99	1,525,000	
	2000	1,750,000	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs</b>			
<b>INDICATOR 1.1.1: Number of active borrowers of institutions supported by G/EGAD/MD programs</b>			
<b>UNIT OF MEASURE:</b> Number of active borrowers  <b>SOURCE:</b> . <b>G/EGAD/MD's IGP and PRIME programs and the Grameen Trust</b>  <b>INDICATOR DESCRIPTION:</b>  <b>COMMENTS:</b> 95 Baseline data: IGP: 42,967; PRIME: 111,000; Grameen: 79,744.  96 Breakdown: IGP: 70,993; PRIME: 161,373; Grameen Trust: 131,960 (included all Grameen replicants).  97 Breakdown: IGP: 234,580; PRIME: 221,713; and Grameen Trust: 59,056 (only countries supported under IGP grant).  Planned targets for 1998 and 1999 have been increased, as they were exceeded (1998 was 450,000 and 1999 was 480,000). Targets were exceeded principally because two large programs (BancoSol with 76,215 clients and ACP with 33,549) under the Accion IGP.		<b>PLANNED</b>	<b>ACTUAL</b>
	95	(Baseline)	233,711
	96	300,000	364,326
	97	400,000	515,349
	98	600,000	
	99	650,000	
	00	700,000	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs</b>			
<b>INDICATOR 1.1.2: Percentage of women borrowers in G/EGAD/MD supported programs</b>			
<b>UNIT OF MEASURE:</b> Weighted average of the percentage of women borrowers of the institutions with active USAID agreements during the Fiscal Year. <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs. <b>INDICATOR DESCRIPTION:</b> <b>COMMENTS:</b> Breakdown for 1996: IGP, incl. Grameen Trust, Weighted Average: 85% PRIME weighted average: 80%  Breakdown for 1997: IGP: 57%; PRIME: 84.1%; Grameen: 98.9%		<b>PLANNED</b>	<b>ACTUAL</b>
	96	75%	83%
	97	75%	80%
	98	75%	
	99	75%	
	00	75%	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs</b>			
<b>INDICATOR 1.1.3:</b> No. of Savers of institutions supported by G/EGADAD/MD programs			
<b>UNIT OF MEASURE:</b> Total number of savers of all of the institutions supported directly by IGP and Prime Fund programs.  <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs.  <b>INDICATOR DESCRIPTION:</b>  <b>COMMENTS:</b> 1996 Breakdown: IGP: 316,950 (includes 312,187 for WOCCU-Ecuador); Grameen Trust: 131,960; PRIME Fund: 106,457.  1997 Breakdown: IGP: 565,752 (includes 489,636 for WOCCU-Ecuador); PRIME:90,907; Grameen Trust: 81,824  PLANNED numbers for 1998 and 1999 have been increased from 600,000 and 620,000 in 98 and 99 respectively. WOCCU-Ecuador will still be active in 1999.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	250,000	576,217
	97	590,000	738,483
	98	750,000	
	99	775,000	

**SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor**

**APPROVED:**

**COUNTRY/ORGANIZATION:** G/EGAD/MD

**INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises**

**INDICATOR 1.2.1:** Number of operationally sustainable institutions supported by G/EGAD/MD programs.

**UNIT OF MEASURE:** Sum of all operationally sustainable institutions with active agreements under IGP and PRIME.

**SOURCE:** G/EGAD/MD's IGP and PRIME programs.

**INDICATOR DESCRIPTION:**

Operational sustainability refers to the ability of institutions to cover their expenses from client revenues.

**COMMENTS:**

1996 Data Breakdown:

IGP: Out of 13 institutions, 3 are sustainable. Excludes Grameen Trust.

PRIME Fund: Out of 27 microfinance institutions, 7 sustainable.

1997 Data Breakdown:

IGP: Out of 17 institutions reporting, 7 operationally sustainable.

PRIME: Out of 30 institutions for which we have data, 11 are operational sustainable. This data has been estimated. Excludes Grameen Trust.

Targets have been increased for 1998 and 1999 to 18 and 19 from 15.

YEAR	PLANNED	ACTUAL
96	10	10
97	15	18
98	18	
99	19	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises</b>			
<b>INDICATOR 1.2.2:</b> Portfolio at risk of ME institutions.			
<b>UNIT OF MEASURE:</b> Weighted average of the PAR rate for all institutions supported under the IGP. <b>SOURCE:</b> G/EGAD/MD's IGP program only. <b>INDICATOR DESCRIPTION:</b> Delinquent outstanding balance over 30 or 90 days. <b>COMMENTS:</b> Portfolio at risk skyrocketed to 29% and 34% in IGP programs in Zimbabwe and Bulgaria programs. G/EGAD/MD has threatened to close-down these two programs if they do not substantially improve this indicator. The weighted average of the portfolio at risk for the IGP programs stands at 10%.  Weighted average for IGP programs improved in 1997 and stands at 6%, despite difficulties in Cambodia. Bulgaria and Zimbabwe are showing improvement.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	10%	10%
	97	10%	6%
	98	10%	
	99	10%	
	00	10%	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises</b>			
<b>INDICATOR 1.2.3:</b> Number of institutions exceeding client outreach targets.			
<b>UNIT OF MEASURE:</b> Number of institutions with an active IGP or PRIME grant that have exceeded client outreach targets.  <b>SOURCE:</b> G/EGAD/MD's IGP and PRIME programs.  <b>INDICATOR DESCRIPTION:</b> IGP grant agreements include annual client outreach performance targets.  <b>COMMENTS:</b> 1996: Six out of 11 IGP grants signed by 6/96 exceeded targets as of September 1996. Targets were not met in various countries due to delays in start-up of the local institutions or to macro-economic instability. PRIME Fund: Out of 27 microfinance institutions, 9 are exceeding client targets (K-REP in Kenya, FINCA in Malawi, ACLEDA in Cambodia, Nirdahn in Nepal, CSD in Nepal, FIE in Bolivia, Sartawi in Bolivia, FUNADEH in Honduras, CRS in Peru).  1997: IGP: 10 out of 17 institutions exceed targets; PRIME: 11 out of 29 exceed targets (estimated data).  Targets for 98 increased to 22 and 99 remains unchanged.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	10	15
	97	17	21
	98	22	
	99	25	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> <b>COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field</b>			
<b>INDICATOR 1.3.1:</b> Number of institutional assessments conducted.			
<b>UNIT OF MEASURE:</b> Number of institutional assessments conducted under G/EGAD/MD programs during the last calendar year. <b>SOURCE:</b> IGP, PRIME, Microserve program records. <b>INDICATOR DESCRIPTION:</b> Field assessments of ongoing or potential microenterprise programs are conducted in order to judge whether programs are developing adequately and whether they are applying best practices. <b>COMMENTS:</b> In Calendar Year 1996: Total 19. IGP: OI programs in Ghana and Bulgaria, WOCCU in Ecuador, MEDA in Nicaragua, World Education in Mali, CRS in Indonesia, Save the Children in Jordan, and FFH in Bolivia. Prime Fund: Cambodia, Guyana, Malawi Microserve: Bangladesh, Bolivia (3), Sri Lanka (3)  In Calendar Year 1997: Total 28. IGP: WR in Cambodia; Woccu in Kenya; Faulu in Kenya; FFH in Mali; Katalysis in Honduras; ACDI/VOCA in Poland. PRIME: FINCA in Malawi; VITA in Morocco Microserve only: PROMUJER in Bolivia, Peru (2); Ghana (4); Sri Lanka (5); Ecuador (2); Dominican Republic (2); El Salvador (2); Jamaica (1). Other: National Microfinance Bank in Tanzania.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	10	19
	97	15	28
	98	15	
	99	12	



<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED: COUNTRY/ORGANIZATION: G/EGAD/MD</b>			
<b>INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field</b>			
<b>INDICATOR 1.3.2: Number of Best Practices Conferences and Training Events</b>			
<b>UNIT OF MEASURE:</b> Number of conferences and training events to disseminate best practices during the last calendar year.  <b>SOURCE:</b> G/EGAD/MD Staff and Microserve, MBP, AIMS programs.  <b>INDICATOR DESCRIPTION:</b>  <b>COMMENTS:</b> For calendar year 1996: Commercial banks conference in WDC; ME conference in West Bank/Gaza; Microfinance Training in Washington D.C.; Video Training modules, Jamaica  For Calendar Year 1997: 3 USAID EGAD Workshops (Rural Finance; ME Policy Paper; Impact) Boulder Microfinance Institute (Faculty Participation) Lessons W/out Borders: Knoxville: Rural Finance Microenterprise Networks Workshop: MBP/DC Village Banking Workshop: MBP/DC Insurance and Microenterprise Workshop: MBP/Guatemala City Microenterprise and Recycling Workshop: MBP/Quito AIMS SEEP on-going virtual workshop for Seep Evaluation Group CGAP virtual meetings on impact evaluation 3 AIMS workshops: Zimbabwe, Peru, Uganda 3 Microserve Best Practices Seminars: Bolivia (2), Sri Lanka  Planned targets have been increased to 10 for 98 and 99, from 5, as we expect that the Microserve, AIMS and MBP seminars will exceed 5.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	4	4
	97	5	17
	98	10	
	99	10	

<b>SSO 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor</b> <b>APPROVED:</b> COUNTRY/ORGANIZATION: G/EGAD/MD			
<b>INTERMEDIATE RESULT 3: Expanded Dissemination of Best Practices in USAID-Supported Programs and in the Microenterprise Development Field</b>			
<b>INDICATOR 1.3.3:</b> Number of Missions served through G/EGAD/MD programs.			
<b>UNIT OF MEASURE:</b> Number of Missions served through Microserve, AIMS, MBP, IGP, PRIME and staff during the last calendar year.  <b>SOURCE:</b> G/EGAD/MD's Microserve, AIMS, PRIME reports and staff technical assistance.  <b>INDICATOR DESCRIPTION:</b>  <b>COMMENTS:</b> Missions served through MD programs in calendar year 97 include: In LAC: Bolivia, Dominican Republic., Ecuador, El Salvador, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Peru; In AFR: Botswana, Ghana, Guinea, Guinea-Bissau, Kenya, Malawi, Mali, Senegal, South Africa, Tanzania, Uganda, Zambia, Zimbabwe; In ANE: Cambodia, Egypt, India, Indonesia, Jordan, Morocco, Nepal, Philippines, Sri Lanka, West Bank/Gaza; In ENI: Romania.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	96	20	26
	97	25	34
	98	27	
	99	30	

**Indicator 1.4: Technical Leadership Exhibited** (This is a purely qualitative indicator, and there is no table associated with it):

G/EGAD/MD has retained a leadership role among donors. The Office's Director, as a renowned expert in the field, officially represented USAID and served as co-chair of the renewal of Consultative Group to Assist the Poorest (CGAP) for a second three year term. CGAP has become a highly visible donor coordinating body for 25 member donors, helping to coordinate efforts and set donor standards for microfinance investments.

MD office staff also played a leadership role on the working groups of CGAP. The Working Group on Impact held a very successful international "virtual" meeting, at which papers were presented and discussed electronically.

AIMS impact evaluation information was sought out and used by AUSAID, DFID (UK) and CDIR (a French NGO) to design important impact assessments.

Staff members represented USAID at a large number of international meetings of donors and practitioners. In most cases they served as panelists or presenters. Among the international events in which staff played a role were: the annual general CGAP meeting in the Philippines; the Rome CGAP Poverty Yardsticks workshop, the Geneva Donor Committee Meetings on Small Enterprise Development and Financial Sector Reform, the Egypt meeting of the Microfinance Network; the International Conference on Microfinance in Frankfurt, Germany; the Visions in Action conference in Washington, D.C.; and the World Bank's Technical Assessment Workshop in Tanzania. In the important new area of private sector investment in microfinance, a staff member acted as advisor to the Council on Corporations, organized by Monsanto Corporation as part of the Microcredit Summit.

A staff member was heavily involved in the development and presentation of the microenterprise component of the Lessons Without Borders event held in Knoxville, Tennessee. A staff member moderated a symposium on microfinance for the International Association of Agricultural Economists. Two staff members taught at the intensive Boulder summer course for microenterprise practitioners and donors. Three staff members taught university level classes and courses in the field.

This leadership effort continues under the Microenterprise Best Practices project, which is USAID's action research agenda to help move the frontiers of the microenterprise field forward. The MBP has assumed two major themes for the near future: the commercialization of microfinance, in which it will be looking at a variety of commercial actors, including banks; and the area of business development services, in which it seeks to make progress in understanding what kinds of interventions are most effective.

<p><b>Special Objective 1:</b></p> <p>Better access to finance and information for microenterprises and small businesses</p>	
<p><b>Intermediate Results</b></p>	
01.1 Create linkages between financial institutions and micro and small businesses	01.2 Encourage indigenous financial institutions to increase lending to micro and small businesses
<p><b>Indicators</b></p>	
01.1.1 Change in average loan size within an IFI's portfolio under LPG coverage, per year, over the course of the facility	01.2.1 Utilization rate as of Fiscal Year End (FYE) for the worldwide LPG portfolio

<b>SpO 1:</b> <i>Better Access to Finance and Information for Microenterprises and Small Businesses.</i> <b>APPROVED:</b> 8/2/96 <b>COUNTRY/ORGANIZATION:</b> G/EGAD/CIS			
<b>INTERMEDIATE RESULT 01.1:</b> Create linkages between formal financial institutions and micro and small businesses with the purpose of facilitating sustainable access to credit for those sectors.			
<b>INDICATOR 01.1.1:</b> Change in average loan size within an IFI's portfolio under LPG coverage, per year, over the course of the facility.			
<b>UNIT OF MEASURE:</b> Average loan size by IFI under LPG coverage <hr/> <b>SOURCE:</b> <del>Quarterly qualifying loan schedules submitted by IFIs</del> <hr/> <b>INDICATOR DESCRIPTION:</b> Average size of loan or line of credit granted to borrower by IFI under LPG coverage. <hr/> <b>COMMENTS:</b> The indicators seek to examine the characteristics of the LPG portfolio of loans by measuring change in average size of loans made by participating IFIs, Smaller loans suggest newer, smaller borrowers accessing IFIs. <hr/> <b>Note:</b> Preliminary figure for FY 1997 is a projection, pending complete review of loan coverage by all participating banks	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	93	\$9,500	\$8,462
	96	\$8,000	\$7,734
	97	\$7,900	\$6,159*
	98	\$7,800	
	99	\$7,700	

SpO 1: Better Access to Finance and Information for Microenterprises and Small Businesses.

APPROVED: 8/2/96

COUNTRY/ORGANIZATION: G/EGAD/CIS

INTERMEDIATE RESULT 01.2: Encourage indigenous financial institutions to increase lending to micro and small businesses.

INDICATOR 01.2.1 Utilization rate for the entire LPG portfolio.

<div>UNIT OF MEASURE: Utilization rate as of Fiscal Year End (FYE) for the worldwide LPG portfolio.</div> <div>SOURCE: Contractor reports</div> <div>INDICATOR DESCRIPTION: Amount of total loans outstanding (guaranteed portion) as of FYE as a percentage of aggregate Guarantee Limits.</div> <div>COMMENTS: The indicator measures efficiency in identifying suitable IFIs for the LPG Program, determining the appropriate portfolio size, promoting active utilization of the guarantee facilities, managing and monitoring IFI performance, and taking actions to reduce (the size of) or terminate non-performing facilities.</div> <div>*Preliminary figures pending completion of loan schedules submitted by participating banks.</div>	YEAR	PLANNED	ACTUAL
	1992	50%	24%
	1993	50%	32%
	1994	40%	36%
	1995	30%	30%
	1996	35%	29%
	1997	40%	24%*
	1998	50%	

<p><b>Special Objective 2:</b> Enhance the ability of indigenous business to become viable within markets</p>	
<p><b>Intermediate Results</b></p>	
02.1 Volunteer assistance enhances host-country business viability in emerging markets	02.2 Economically sustainable technologies create commercially viable small enterprises
<p><b>Indicators</b></p>	
02.1.1 Increased annual earning capacity resulting from consultancies completed	02.2.1 Annual total monetary benefits from sustainable economic activities
02.1.2 Increased annual employment opportunity	02.2.2 Disseminate business information to micro-entrepreneurs

SpO 2: Enhance the Ability of Indigenous Business to Become Viable with Emerging Markets

APPROVED: 6/97

COUNTRY/ORGANIZATION:G/EGAD/BD

INTERMEDIATE RESULT 02.1: Volunteer assistance enhances host country business viability in emerging markets

INDICATORS 02.1.1 and 02.1.2: Changes in Total Monetary Benefits of Enterprises Assisted

UNIT OF MEASURE:  
SOURCE: IESC Client Survey

INDICATOR DESCRIPTION:  
1. Increased annual earning capacity resulting from consultancies completed .

2. Increased annual employment opportunity.

COMMENTS:

Year	Planned	Actual
1997	\$200 million	\$200 million
2000	\$250 million	
1997	20,000 jobs	20,000 jobs
2000	25,000 jobs	



SpO 2: Enhance the Ability of Indigenous Businesses to Become Viable Within Emerging Markets APPROVED: April 11, 1997 COUNTRY/ORGANIZATION: G/EGAD/BD			
INTERMEDIATE RESULT 02.2: Economically Sustainable Technologies Create Commercially Viable Small Enterprises			
INDICATOR 02.2.1 and 02.2.2: Changes in Total Monetary Benefits of Enterprises Assisted			
UNIT OF MEASURE:  SOURCE:  INDICATOR DESCRIPTION: 1. Annual total monetary benefits from sustainable economic activities  2. Disseminate business information to micro-entrepreneurs  COMMENTS:	YEAR	PLANNED	ACTUAL
	1997	7,300,000	11,500,000
	2000	13,000,000	
	1997	125,000	250,000 people
	2000	300,000	

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## ANNEX C : MANAGEMENT CONTRACT

**FINAL**

U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

March 24, 1997

**MEMORANDUM**

**TO:** DAA/G, Emmy Simmons

**FROM:** AA/G, Sally Shelton-Colby

**SUBJECT:** Management Contract - G/EGAD Strategy and R4 Review Agreements, June 6, 1997

I. OVERVIEW

Technical Reviews of the Center for Economic Growth and Agricultural Development (G/EGAD) *Results Review and Resource Request* (R4) document took place on May 15, 1997. I chaired the June 6 Senior Level Review. G/EGAD was represented by John Wilkinson, Associate Assistant Administrator. The purpose of the Senior Level Review was to resolve outstanding issues raised in the Technical Review, and discuss resource levels as outlined in the Center's resource request. The Senior Level Review reconfirmed the Center's strategy and achieved agreement on further actions to be taken prior to next year's review. The purpose of this memorandum is to confirm in writing the decisions reached in the Senior Level Review by outlining the general agreements, and summarizing performance and specific agreements reached on each of the Center's three Strategic Support Objectives (SSOs) and four Special Objectives (SpOs).

II. GENERAL AGREEMENTS

A. STRATEGY: In terms of results achieved over the past year in pursuit of the Center's SSOs, it is agreed that the strategy presented in the R4 is approved and the approach valid.

B. RENAMING: AA/G concurs in the Center's official name change to Center for Economic Growth and Agricultural Development (G/EGAD) to support alignment with the increase on emphasis and responsibilities in the agriculture area as reflected in the Agency's Strategic Plan, and to strengthen the relationship between the Center's activities in economic growth and in agricultural development.



If, as a result of initial implementation of this revised approach, it is evident that a revised strategic plan would better serve to articulate the Center's goals, the Center will prepare such a plan. This may cause further revisions of this Management Contract.

C. SPECIAL OBJECTIVES: AA/G approved G/EGAD's establishment of SpOs, some of which cover activities/results that had been part of three SSOs of the Center, but for various reasons, would be better tracked as SpOs.

D. RESOURCES (OE and staffing): G/EGAD discussed its current and planned resource levels in relation to progress on planned results. Pressures on the OE budget continue to impact upon the USDH staff level and mix for the bureau. Resource constraints continue to be problematic for the center. AA/G approves the results frameworks subject to successful negotiation of OE levels which may affect the distribution of OE and staffing levels within the bureau.

### III. PERFORMANCE AND SPECIFIC AGREEMENTS BY SSO and SpO

A. Strategic Support Objective 1: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor.

PERFORMANCE SUMMARY: In terms of performance at the SSO level, definite progress was observed. The growth demonstrates that our Agency programs are helping to increase the access of microenterprises to financial and non-financial services throughout the developing world. The SSO team met or exceeded all targets. This new SSO has three Intermediate Results (IRs), modified from last year. These IRs are more results-oriented and will provide better measures of progress.

AGREEMENT: SSO1 is approved. Estimated program resources for this SSO remain at \$132 million for the strategy period FY 1996-2003.

B. Strategic Support Objective 2: Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development.

PERFORMANCE SUMMARY: Given the breadth of activities and the geographical scope involved, the most comprehensive and meaningful indicator at the SSO level is an index of per capita food production. Although the index has some limitations, it indicates whether progress has been made in agricultural development. The past record has been, overall, a remarkably positive one, with one prominent exception - Africa. Food production in Africa has increased significantly, but has not kept pace with population growth. Consequently, performance growth targets for the region are modest, indicating a further

emphasis on reversing the decline of per capita food production.

AGREEMENT: SSO2 is approved. Estimated program resources for this SSO remain at \$380 million for the strategy period FY 1996-2003.

C. Strategic Support Objective 3: Support Appropriate and Functioning Economic Policies, Market Reforms and Institutions in Selected Emerging Markets and Priority Countries.

PERFORMANCE SUMMARY: The SSO3 team asserted that planned activities were successfully carried out and expectations were met. Historically, the measurement of this SSO has used indicators which provide an indication of the demand for G/EGAD services and technical inputs, yet they do not capture the change which the Center's interventions seek to bring about. Central operating units with SSOs are accountable for how they support the missions. These operating units need indicators that appropriately track this type of progress. Beginning this cycle, SSO 3 and its indicators have been refined to reflect the demand for Global Bureau services. However, through a contractor, the SSO 3 team will monitor change in macro-economic performance indicators for selected countries where services have been provided, to track progress, if not direct results.

AGREEMENT: SSO3 is approved. Estimated program resources for this SSO remain at \$36.4 million for the strategy period FY 1996-2003.

D. Special Objective 1: Better Access for Finance and Information for Micro and Small Business (MSED).

PERFORMANCE SUMMARY: This new SpO incorporates an activity that was under SSO 1 (microenterprise). The MSED Program is a key and cost-effective vehicle for advancing the Agency's microenterprise objectives. Performance indicators have been developed to provide accurate tracking of program impact on microenterprises and small businesses. The indicators also have been developed to measure the success of each guarantee facility and the portfolio as a whole.

AGREEMENT: SpO1 is approved. Estimated program resources for this SpO remain at \$4.5 million (DA) for the strategy period FY 1996-2003.

E. Special Objective 2: Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC & ATI).

PERFORMANCE SUMMARY: This new SpO combines activities previously under SSO 1 (microenterprise) and SSO 3 (economic policy and institutional reform). Progress has been good in meeting all goals of the International Executive Service Corps (IESC). Based

on preliminary projections, key indicators demonstrate that the Appropriate Technology International (ATI) program has met its planned goals. During the coming year, G will consider options, such as an endowment, for supporting financial independence of ATI.

AGREEMENT: SpO2 is approved. Estimated program resources for this SpO remain at \$47 million for the strategy period FY 1996-2003.

F. Special Objective 3: Expand Technology Transfer by U.S. Business (CTIS).

PERFORMANCE SUMMARY: This new SpO replaces earlier initiatives to promote U.S. and developing country business links. While the Center for Trade and Investment Services (CTIS) met its goal of improving public awareness of USAID programs, trade and procurement opportunities, it revamped its operations in order to better serve the U.S. private sector with a more targeted approach and to mirror Agency sectoral focuses on agribusiness, environment, and health and population. CTIS also manages the Environmental Technology Network for Asia (ETNA), which also continued to show good results.

AGREEMENT: SpO3 is approved. Estimated program resources for this SpO remain at \$7 million for the strategy period FY 1996-2003.

G. Special Objective 4: Increased Science and Technology Cooperation Among Middle Eastern and Developing Countries, and Utilization of U.S. & Israeli Technical Expertise by Developing Countries.

PERFORMANCE SUMMARY: Responsibility for the management of the programs under this new SpO were transferred to the G/EGAD Center beginning in FY 1997. The Center's monitoring of progress began with FY 1997 as the baseline.

AGREEMENT: SpO4 is approved. Estimated program resources for this SpO remain at \$44 million (DA) for the strategy period FY 1996-2003. Additional support from other accounts will be subject to political determinations outside G control.

#### IV. FURTHER ACTIONS

AGREEMENT: During the next year, G/EGAD will provide details to G/PDSP for the Bureau Budget Submission on absorption of staffing costs under SSO2, Improved Food Availability, Economic Growth and Conservation of Natural Resources through Agricultural Development. The RSSA staff costs will be subsumed under the total pledge to the CGIARS.

AGREEMENT: The Center will also work with G/PDSP to clarify budget requests by SSO and SpO, in light of the continuing demands on the G Bureau to meet Congressional directives and administration priorities.

AGREEMENT: The environmental compliance section in G/EGAD's R4 document needs an addendum which provides the necessary information in accordance with the environmental compliance section of the ADS Chapter 204 in general (and sections 204.3 and 204.5.3 in particular) on or before March 31, 1998. First, each SSO Team has the primary responsibility for tracking how well their activities comply with their approved Initial Environmental Examinations (IEEs), Environmental Assessments (EAs), or Environmental Impact Statements (EISs) as approved by the Bureau Environmental Officer (BEO). Thus, G/EGAD must provide a narrative which includes (a) the number of IEEs, EAs, or EISs submitted to the Bureau in FY 1996; (b) G/EGAD's recommended environmental action (i.e., categorical exclusion, negative determination, positive determination, etc.) related to each IEE, EA or EIS submitted; and (c) a brief summary of its SSO Teams' analysis of whether there are ongoing issues related to any of their intermediate results (or activities) concerning compliance with their approved 22 CFR 216 documents. These analyses will focus on the IRs or activities on which progress was reported for FY 1996.

Second, G/EGAD must provide a notional list of activities which might require IEEs, EAs or EISs over the next year in order to enable the BEO to arrange for their timely approval of these documents.

If there are no issues, that should be so indicated in the addendum.

## V. OTHER ISSUES

AGREEMENT: AA/G recognized that an operating unit's plans to optimize resource allocation can too often be overtaken by unforeseen requirements to mount special initiatives and reshape programs to support new directives. The bureau's response has been to live within the earmarks, using these as umbrellas where feasible to cover a range of discretionary activities that will lead to the results envisioned in the strategic plan. For the more narrowly focussed directives, G's approach has been to make every effort to ensure that the activity is results-oriented and customer focussed.

## VI. DELEGATION OF AUTHORITY

AGREEMENT: Team Leaders are authorized to revise approaches and/or activities as deemed necessary to accomplish the objective within the agreed upon timeframe, resource levels and strategy.

Changes which extend beyond these agreements should be discussed with operating unit management and resulting tentative agreements prepared for discussion and review Agency-wide. Center Directors who are not operating as SSO Team Leaders are encouraged to be available to support, advise, and guide teams. Center Directors do not have authority to extend the approval period for a strategy or individual objectives nor to change objectives or overall strategies in any substantive way without subjecting such modifications to Agency-wide review.

SSO Teams have full authority to extend dates of activities, projects or other instruments used to implement objectives within the constraints of earmarks and directives, and as long as the dates do not exceed the approval period of the objectives themselves. As a team member, the contracting officer remains responsible for reviewing the appropriateness and approving extensions to contract/grant mechanisms used to implement aspects of activities. It is expected that requests for changing objective approval periods would normally involve changes to indicators and targets which USAID/W is required to approve under the ADS guidelines.

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G/PDSP:DMCGOWAN:12/17/97:2-5142  
Revised: 3/10/98

Cleared:

G/PDSP:PDELP OK Date 3/10/98  
G/PDSP:RWRIN OK Date 3/12/98  
G/AMS:BROGERS OK Date 3/13/98  
G/EGAD/PS:JBONNER OK Date 3/13/98  
G/EGAD:JWILKINSON OK Date 3/16/98  
G/EGAD:ESIMMONS OK Date 3/18/98  
G/SDAA:BTURNER \_\_\_\_\_ Date \_\_\_\_\_



# Economic Growth Center

## Summary Resource Request FY2000

(\$ 000,000)

(\$ 000,000)								FY2000 G/EGAD SSO/SpO			
Agency Objective	G/EGAD Objectives	G/EGAD Programs	Funding Source	FY1998 Core	FY1999 Core-Plan	FY2000 MC Level	FY2000 Request	OE Control(\$)	OE Request (\$)	Staff * Request	
Agency Objective 1.1: Critical Private Markets Expanded and Strengthened	SSO3: Support Appropriate and Functioning Economic Policies, Market Reforms, and Institutions in Emerging Markets and Priority Countries	IR3.1: SEGIR/Privatization	DP	2,600	1,893	6,200	8,500	19,950	34,300	13/2/0	
		IR3.2: SEGIR/Financial Markets	DP	114	200	1,000	1,000				
		IR3.3: SEGIR/Economic Policy	DP	210	200	1,000	1,500				
		IR3.4: SEGIR/Legal & Institutional Reform	DP	1,090	250	1,500	2,000				
		IR3.5: SEGIR/Gen. Business, Trade & Inves	DP	96	150	700	1,000				
	SSOs Total				90	200	1,000	1,000			
				1,600	1,000	5,200	6,500				
	SpO3: Expand Technology Transfer by US Business	IR03.1: Expanded Outreach of Business (GTN-FORMERLY CTIS &ETNA)	DP	1,000	893	1,000	2,000	13,800	15,000	5/0/0	
	SpOs Total				1,000	893	1,000	2,000			
	Agency Objective 1.2: More Rapid and Enhanced Agricultural Development & Food Security Encouraged	SSO2: Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agri-cultural Development	IR2.1: Sustainable Technologies for Food	DP/SS	52,150	47,750	60,570	70,000	86,650	116,500	18/18/1
IR2.2: Improved Food Access & Agribusines			DP/SS	21,000	17,000	23,000	25,000				
IR2.3: Enhance Long-term Conservation			DP	5,650	7,250	9,285	15,000				
IR2.4: Establish Info. System for Decisions			DP	15,000	14,250	17,500	20,000				
SSOs total				5,000	4,500	4,500					
			46,650	42,250	54,285	64,500					
SpO4: Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries & Utilization of US and Israeli Technical Expertise by Developing Countries		IR04.1: Technical Collaboration Established	ES	[12,000]	[12,000]	[12,000]	[12,000]	13,500	15,000	0/4/1	
		IR04.2: Transfer of Technology	DP/ES	5,500	5,500	6,285	5,500				
SpOs Total				5,500	5,500	6,285	5,500				
Agency Objective 1.3: Access to Economic Opportunity for the Rural and Urban Poor Expanded and Made More Equitable		SSO1: Improved Access to Financial and Non-financial Services for Micro-enterprises of the Poor	IR1.1: Expanded Delivery of Services	DP/SS	6,300	6,300	26,210	5,500	37,205	48,050	7/5/0
	IR1.2: Increased Capability of Institutions		DP/SS	[18000]	[18000]	15,000	[18000]				
	IR1.3: Dissemination of Best Practices		DP/SS	[4000]	[4000]	2,850	[4000]				
				[3000]	[3000]	1,000	[3000]				
	SSOs Total				[25,000]	[25,000]	18,850	[25,000]			
	SpO1: Better Access to Finance and Information for Micro and Small Businesses	IR01.1: Increase Access to Credit	DP	400	400	325	500	[900,000]**	[900,000]**	7/1/0	
			PJ	[750]	[750]	[750]	[750]				
		IR01.2: Increased Lending	DP	400	400	320	500				
			PJ	[750]	[750]	[750]	[750]				
	SpOs Total				800	800	645	1,000			
SpO2: Enhance the Ability of Indigenous Business to Become Viable within Emerging Markets	IR03.1: Volunteer Assist. for Businesses	DP	3,000	3,000	3,715	3,000	18,420	20,000	2/0/0		
	IR03.2: Technology for Small Enterprises	DP	2,500	2,500	3,000	1,500					
	SpOs Total				5,500	5,500	6,715	4,500			
CORE TOTALS:				61,050	55,943	92,980	84,000	189,525	248,850	52/30/2 ***	

\*- Staff presented in following sequence: Direct Hire/ PASA , RSSA, IPA/ AAAS Fellowships

\*\*- Credit & Investment Staff; monitoring and oversight of the new DCA.

\*\*\*- Staff Numbers do not include 3 DH Org. Management, and 4 DH Other Staff listed under "Management Staff" in the Workforce Tables

## USAID FY 2000 BUDGET REQUEST BY PROGRAM/COUNTRY

Country/Program: G/EGAD  
Scenario: Base Level

S.O. #, Title		Bilateral/ Field Support	Est. SO Pipeline End of FY 99	Estimated Total	FY 2000										Est. Expend. FY 00	Est. Total Cost life of SO	Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Basic Education				Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G					
SSO#1, Improved Access to Financial & Non-financial Services for Microenterprises for the Poor																		
DA	Bilateral	49,549	18,850			18,850								12,000	132,000	72,392	03	
	Field Spt		7,500			7,500												
	Total	49,549	26,350	0		26,350	0	0		0		0				72,392		
SSO#2, Improved Food Availability, Economic Growth & Conservation of Natural Resources through Agricultural Development																		
DA	Bilateral	14,892	54,285			54,285								37,508	380,000	173,418	03	
	Field Spt		12,954			12,954												
	Total	14,892	67,239	0		67,239	0	0		0		0				173,418		
SSO#3, Support Appropriate & Functioning Economic Policies, Market Reforms & Institutions in Selected Emerging Markets & Priority Countries																		
DA	Bilateral	6,568	5,200			5,200								11,370	36,400	18,195	03	
	Field Spt		1,398			1,398										0		
	Total	6,568	6,598	0		6,598	0	0		0		0				18,195		
SpO#1, Better Access to Finance & Information for Micro & Small Businesses (MSED)																		
DA	Bilateral	1,084	645			645						0		1,250	4,500	1,008	03	
	Field Spt		150			150												
	Total	1,084	795	0		795	0	0		0		0				1,008		
SpO#2, Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC&ATI)																		
DA	Bilateral	4,608	6,715			6,715								5,250	47,000	23,035	03	
	Field Spt		0			0												
	Total	4,608	6,715	0		6,715	0	0		0		0				23,035		
SpO#3, Expanded Technology Transfer by US Business (CTIS&ETNA)																		
DA	Bilateral	3,038	1,000			1,000								690	7,000	2,640	03	
	Field Spt		1,293			1,293												
	Total	3,038	2,293	0		2,293	0	0		0		0				2,640		
SpO#4, Increased Science & Technology Collaboration Among Middle Eastern & Developing Countries, & Utilization of US & Israeli Technical Expertise by Developing Countries																		
DA	Bilateral	5,900	6,285			6,285								6,900	44,000	21,255	03	
	Field Spt		0			0												
	Total	5,900	6,285	0		6,285	0	0		0		0				21,255		
SpO#1, Better Access to Finance & Information for Micro & Small Business																		
PJ	Bilateral	[250]	[1,500]			[1,500]								1,500	5,000	1,917	03	
	Field Spt																	
	Total	[250]	[1,500]	0		[1,500]	0	0		0		0				1,917		
Total Bilateral			85,639	92,980	0		38,695	0	0		0	0	0					
Total Field Support			0	23,295	0		10,341	0	0		0	0	0					
TOTAL PROGRAM			85,639	116,275	0		49,036	0	0		0	0	0			313,860		

<b>FY 2000 Request Sector Totals -- DA</b>			
Econ Growth	0		
[Of which Microenterpris	25,000		
HCD			
PHN	0		
Environment	0		
[Of which Biodiversity]	0		
Democracy	0		
Humanitarian	0		

<b>FY 2000 Request Sector Totals -- ESF</b>			
Econ Growth	19,230		
[Of which Microenterprise	0		
HCD	0		
PHN	0		
Environment	0		
[Of which Biodiversity]	0		
Democracy	0		
Humanitarian	0		

FY 2001 Target Program Level	104,620
FY 2002 Target Program Level	104,620
FY 2003 Target Program Level	104,620

Program Funding

USAID FY 1999 Budget Request by Program/Country

Country/Program: G/EGAD  
Scenario: Base Level

S.O. #, Title				FY 1999													Future Cost (POST 2000)	Year of Final Oblig.
Approp. Acct	Bilateral/ Field Support	Est. SO Pipeline End of FY 98	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 99	Est. Total Cost life of SO			
SSO#1, Improved Access to Financial & Non-financial Services for Microenterprises for the Poor																		
DA	Bilateral Field Spt	68,578	[25000] 50			[25000] 50								12,500	132,000	72,392	03	
Total		68,578	[25000]	0		[25000]	0	0		0	0	0	0			72,392		
SSO#2, Improved Food Availability, Economic Growth & Conservation of Natural Resources through Agricultural Development																		
DA	Bilateral Field Spt	17,700	42,250 8,636		42,250 8,636									37,508	380,000	173,418	03	
Total		17,700	50,886	0	50,886	0	0	0		0	0	0	0			173,418		
SSO#3, Support Appropriate & Functioning Economic Policies, Market Reforms & Institutions in Selected Emerging Markets & Priority Countries																		
DA	Bilateral Field Spt	7,568	1,000 932			1,000 932								11,370	36,400	18,195	03	
Total		7,568	1,932	0		1,932	0	0		0	0	0	0			18,195		
SpO#1, Better Access to Finance & Information for Micro & Small Businesses (MSED)																		
DA	Bilateral Field Spt	1,043	800 100			800 100						0		1,250	4,500	1,008	03	
Total		1,043	900	0		900	0	0		0	0	0	0			1,008		
SpO#2, Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC&ATI)																		
DA	Bilateral Field Spt	7,108	5,500 0			5,500 0								5,250	47,000	23,035	03	
Total		7,108	5,500	0		5,500	0	0		0	0	0	0			23,035		
SpO#3, Expanded Technology Transfer by US Business (CTIS&ETNA)																		
DA	Bilateral Field Spt	3,931	893 862			893 862								690	7,000	2,640	03	
Total		3,931	1,755	0		1,755	0	0		0	0	0	0			2,640		
SpO#4, Increased Science & Technology Collaboration Among Middle Eastern & Developing Countries, & Utilization of US & Israeli Technical Expertise by Developing Countries																		
DA	Bilateral Field Spt	5,202	5,500 0			5,500 0								6,900	44,000	21,255	03	
Total		5,202	5,500	0		5,500	0	0		0	0	0	0			21,255		
SpO#1, Better Access to Finance & Information for Micro & Small Business																		
PJ	Bilateral Field Spt	[ 683]	[1,500] 0			[1,500] 0								1,500	5,000	1,917	03	
Total		[ 683]	[1,500]	0		[1,500]	0	0		0	0	0	0			1,917		
Total Bilateral		111,130	55,943	0		13,693	0	0		0	0	0	0					
Total Field Support		0	10,580	0		1,944	0	0		0	0	0	0					
TOTAL PROGRAM		111,130	66,473	0		15,587	0	0		0	0	0	0			313,860		

<b>FY 1999 Request Sector Totals -- DA</b>		
Econ Growth	0	
[Of which Microenterpris	25,000	
HCD	0	
PHN	0	
Environment	0	
[Of which Biodiversity]	0	
Democracy	0	
Humanitarian	0	

<b>FY 1999 Request Sector Totals -- ESF</b>		
Econ Growth	19,200	
[Of which Microenterprise	0	
HCD	0	
PHN	0	
Environment	0	
[Of which Biodiversity]	0	
Democracy	0	
Humanitarian	0	

FY 2001 Target Program Level	0
FY 2002 Target Program Level	0
FY 2003 Target Program Level	0

Program Funding

USAID FY 1998 Budget Request by Program/Country

Country/Program: G/EGAD  
Scenario: Base Level

S.O. #, Title				FY 1998													Future Cost (POST 2000)	Year of Final Oblig.	
Approp. Acct	Bilateral/ Field Support	Est. SO Pipeline End of FY 97	Estimated Total	Basic Education	Agric.	Other Growth	Pop	Child Survival	Infectious Diseases	HIV/AIDS	Other Health	Environ	D/G	Est. Expend. FY 98	Est. Total Cost life of SO				
SSO#1, Improved Access to Financial & Non-financial Services for Microenterprises for the Poor																			
DA	Bilateral Field Spt	38,524	[25000] 50			[25000] 50								350	132,000	72,392	03		
Total		38,524	[25000]	0		[25000]	0	0		0	0	0	0			72,392			
SSO#2, Improved Food Availability, Economic Growth & Conservation of Natural Resources through Agricultural Development																			
DA	Bilateral Field Spt	31,330	46,650 4,318		46,650 4,318									59,288	380,000	173,418	03		
Total		31,330	50,968	0	50,968	0	0	0		0	0	0	0			173,418			
SSO#3, Support Appropriate & Functioning Economic Policies, Market Reforms & Institutions in Selected Emerging Markets & Priority Countries																			
DA	Bilateral Field Spt	12,665	1,600 466			1,600 466								10,365	36,400	18,195	03		
Total		12,665	2,066	0		2,066	0	0		0	0	0	0			18,195			
SpO#1, Better Access to Finance & Information for Micro & Small Businesses (MSED)																			
DA	Bilateral Field Spt	1,193	800 50			800 50						0		1,150	4,500	1,008	03		
Total		1,193	850	0		850	0	0		0	0	0	0			1,008			
SpO#2, Enhance the Ability of Indigenous Businesses to Become Viable within Emerging Markets (IESC&ATI)																			
DA	Bilateral Field Spt	8,047	5,500 0			5,500 0								3,924	47,000	23,035	03		
Total		8,047	5,500	0		5,500	0	0		0	0	0	0			23,035			
SpO#3, Expanded Technology Transfer by US Business (CTIS&ETNA)																			
DA	Bilateral Field Spt	2,815	1,000 431			1,000 431								315	7,000	2,640	03		
Total		2,815	1,431	0		1,431	0	0		0	0	0	0			2,640			
SpO#4, Increased Science & Technology Collaboration Among Middle Eastern & Developing Countries, & Utilization of US & Israeli Technical Expertise by Developing Countries																			
DA	Bilateral Field Spt	5,198	5,500 0			5,500 0								6,900	44,000	21,255	03		
Total		5,198	5,500	0		5,500	0	0		0	0	0	0			21,255			
SpO#1, Better Access to Finance & Information for Micro & Small Business																			
PJ	Bilateral Field Spt	[ 683]	[1,500] 0			[1,500] 0								2,600	5,000	1,917	03		
Total		[ 683]	[1,500]	0		[1,500]	0	0		0	0	0	0			1,917			
Total Bilateral		99,772	61,050	0	46,650	14,400	0	0		0	0	0	0						
Total Field Support		0	5,315	0	4,318	997	0	0		0	0	0	0						
TOTAL PROGRAM		99,772	66,315	0	50,968	15,347	0	0		0	0	0	0			313,860			

<b>FY 1998 Request Sector Totals -- DA</b>	
Econ Growth	0
[Of which Microenterpris	25,000]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	[ ]
Democracy	0
Humanitarian	0

<b>FY 1998 Request Sector Totals -- ESF</b>	
Econ Growth	19,200
[Of which Microenterprise	[ ]
HCD	0
PHN	0
Environment	0
[Of which Biodiversity]	[ ]
Democracy	0
Humanitarian	0

FY 2001 Target Program Level	0
FY 2002 Target Program Level	0
FY 2003 Target Program Level	0

Workforce

Org. EGAD FY 1998 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	5	18	13	6	1	5	0	48	3					3	6	54
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	4	14	1	0	0	0	3	22							0	22
FNS/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FNS/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	9	32	14	6	1	5	3	70	3	0	0	0	0	3	6	76
TAACS								0							0	0
Fellows		1					1	2							0	2

1/ Excluding TAACS and Fellows

Workforce

Org. _ EGAD FY 1999 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	5	17	13	6	1	5	0	47	3					4	7	54
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program	5	16	2	1	0	0	4	0 0 28							0 0 0	0 0 28
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0							0 0	0 0
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 0 0							0 0 0	0 0 0
Total Staff Levels	10	33	15	7	1	5	4	75	3	0	0	0	0	4	7	82
TAACS Fellows		1					1	0 2							0 0	0 2

1/ Excluding TAACS and Fellows

Org. _ EGAD FY 1999 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	5	17	13	7	1	5	0	48	3					4	7	55
Other U.S. Citizens: 1/ OE Internationally Recruited OE Locally Recruited Program	6	16	2	1	0	0	4	0 0 29							0 0 0	0 0 29
FSN/TCN Direct Hire: OE Internationally Recruited OE Locally Recruited								0 0							0 0	0 0
FSN/TCN Non-Direct Hire: OE Internationally Recruited OE Locally Recruited Program								0 0 0							0 0 0	0 0 0
Total Staff Levels	11	33	15	8	1	5	4	77	3	0	0	0	0	4	7	84
TAACS Fellows		1					1	0 2							0 0	0 2

1/ Excluding TAACS and Fellows

Workforce

Org. EGAD FY 2000 Target On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	5	17	13	6	1	5	0	47	3					4	7	54
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	5	18	2	1	0	0	4	30							0	30
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	10	35	15	7	1	5	4	77	3	0	0	0	0	4	7	84
TAACS								0							0	0
Fellows		1					1	2							0	2

1/ Excluding TAACS and Fellows

Org. EGAD FY 2000 Request On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	6	18	13	7	2	5	0	51	3					4	7	58
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program	6	18	2	1	0	0	4	31							0	31
FSN/TCN Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire:																
OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
Program								0							0	0
Total Staff Levels	12	36	15	8	2	5	4	82	3	0	0	0	0	4	7	89
TAACS								0							0	0
Fellows		1					1	2							0	2

1/ Excluding TAACS and Fellows

Workforce

Org. EGAD FY 2001 On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
U.S. Direct Hire	6	18	14	8	2	6	0	54	3					4	7	61
Other U.S. Citizens: 1/ OE Internationally Recruited								0							0	0
OE Locally Recruited Program	6	18	2	1	0	0	4	31							0	0
FSN/TCN Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited								0							0	0
FSN/TCN Non-Direct Hire: OE Internationally Recruited								0							0	0
OE Locally Recruited Program								0							0	0
Total Staff Levels	12	36	16	9	2	6	4	85	3	0	0	0	0	4	7	92
TAACS								0							0	0
Fellows		1	1				1	3							0	3

1/ Excluding TAACS and Fellows



Workforce

Org. EGAD Summary On-Board Estimate	SO/SpO Staff							Total SO/SpO Staff	Management Staff						Total Mgmt.	Grand Total Staff
	SO 1	SO 2	SO 3	SpO 1	SpO 2	SpO 3	SpO 4		Org. Mgmt.	Con- troller	AMS/ EXO	Con- tract	Legal	All Other		
FY 1998:																
U.S. Direct Hire	5	18	13	6	1	5	0	48	3	0	0	0	0	3	6	54
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	5	18	13	6	1	5	0	48	3	0	0	0	0	3	6	54
Program Funded	4	14	1	0	0	0	3	22	0	0	0	0	0	0	0	22
Total FY 1998	9	32	14	6	1	5	3	70	3	0	0	0	0	3	6	76
FY 1999 Target:																
U.S. Direct Hire	5	17	13	6	1	5	0	47	3	0	0	0	0	4	7	54
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	5	17	13	6	1	5	0	47	3	0	0	0	0	4	7	54
Program Funded	5	16	2	1	0	0	4	28	0	0	0	0	0	0	0	28
Total FY 1999 Target	10	33	15	7	1	5	4	75	3	0	0	0	0	4	7	82
FY 1999 Request:																
U.S. Direct Hire	5	17	13	7	1	5	0	48	3	0	0	0	0	4	7	55
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	5	17	13	7	1	5	0	48	3	0	0	0	0	4	7	55
Program Funded	6	16	2	1	0	0	4	29	0	0	0	0	0	0	0	29
Total FY 1999 Request	11	33	15	8	1	5	4	77	3	0	0	0	0	4	7	84
FY 2000 Target:																
U.S. Direct Hire	5	17	13	6	1	5	0	47	3	0	0	0	0	4	7	54
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	5	17	13	6	1	5	0	47	3	0	0	0	0	4	7	54
Program Funded	5	18	2	1	0	0	4	30	0	0	0	0	0	0	0	30
Total FY 2000 Target	10	35	15	7	1	5	4	77	3	0	0	0	0	4	7	84
FY 2000 Request:																
U.S. Direct Hire	6	18	13	7	2	5	0	51	3	0	0	0	0	4	7	58
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	6	18	13	7	2	5	0	51	3	0	0	0	0	4	7	58
Program Funded	6	18	2	1	0	0	4	31	0	0	0	0	0	0	0	31
Total FY 2000 Request	12	36	15	8	2	5	4	82	3	0	0	0	0	4	7	89
FY 2001 Estimate:																
U.S. Direct Hire	6	18	14	8	2	6	0	54	3	0	0	0	0	4	7	61
OE Internationally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OE Locally Recruited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total OE Funded Staff	6	18	14	8	2	6	0	54	3	0	0	0	0	4	7	61
Program Funded	6	18	2	1	0	0	4	31	0	0	0	0	0	0	0	31
Total FY 2001 Estimate	12	36	16	9	2	6	4	85	3	0	0	0	0	4	7	92

Workforce

MISSION :

G/EGAD

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 98	NO. OF USDH EMPLOYEES IN BACKSTOP FY 99	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001
01SMG	2	2	2	2
02 Program Off.	6	6	6	6
03 EXO				
04 Controller	2	2	2	2
05/06/07 Secretary	5	5	5	5
10 Agriculture.	15	15	16	16
11Economics	5	5	5	6
12 GDO				
12 Democracy				
14 Rural Dev.				
15 Food for Peace				
21 Private Ent.	18	20	22	24
25 Engineering				
40 Environ				
50 Health/Pop.				
60 Education				
75 Physical Sci.	1	1	1	1
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
<b>TOTAL</b>	<b>54</b>	<b>56</b>	<b>59</b>	<b>62</b>

\*please list occupations covered by other if there are any

## WASHINGTON OFFICES &amp; BUREAUS BUDGET REQUEST

Office/Bureau: EGAD

OC	FY 98 Estimate	FY 99 Base	FY 99 Request	FY 00 Base	FY 00 Request
11.8 Special personal services payments IPA/Details-In/PASAs/RSSAs Salaries	Do not enter data on this line.				
Subtotal OC 11.8	0.0	0.0	0.0	0.0	0.0
12.1 Personnel Benefits IPA/Details-In/PASAs/RSSAs Salaries	Do not enter data on this line.				
Subtotal OC 12.1	0.0	0.0	0.0	0.0	0.0
21.0 Travel and transportation of persons	Do not enter data on this line.				
Training Travel	Do not enter data on this line.				
Operational Travel	Do not enter data on this line.				
Site Visits - Headquarters Personnel	129,675.0	123,190.0	195,000.0	123,190.0	195,000.0
Site Visits - Mission Personnel					
Conferences/Seminars/Meetings/Retreats	49,875.0	47,380.0	42,000.0	47,380.0	42,000.0
Assessment Travel	19,950.0	18,955.0		18,955.0	11,850.0
Impact Evaluation Travel					
Disaster Travel (to respond to specific disasters)					
Recruitment Travel					
Other Operational Travel					
Subtotal OC 21.0	199,500.0	189,525.0	237,000.0	189,525.0	248,850.0
23.3 Communications, Utilities, and Miscellaneous Charges Commercial Time Sharing	Do not enter data on this line.				
Subtotal OC 23.3	0.0	0.0	0.0	0.0	0.0
24.0 Printing & Reproduction Subscriptions & Publications	Do not enter data on this line.				
Subtotal OC 24.0	0.0	0.0	0.0	0.0	0.0
25.1 Advisory and assistance services Studies, Analyses, & Evaluations Management & Professional Support Services Engineering & Technical Services	Do not enter data on this line.				
Subtotal OC 25.1	0.0	0.0	0.0	0.0	0.0
25.2 Other services Non-Federal Audits Grievances/Investigations Manpower Contracts Other Miscellaneous Services Staff training contracts	Do not enter data on this line.				
Subtotal OC 25.2	0.0	0.0	0.0	0.0	0.0
25.3 Purchase of goods and services from Government accounts DCAA Audits HHS Audits All Other Federal Audits Reimbursements to Other USAID Accounts All Other Services from other Gov't. Agencies	Do not enter data on this line.				
Subtotal OC 25.3	0.0	0.0	0.0	0.0	0.0
25.7 Operation & Maintenance of Equipment & Storage	Do not enter data on this line.				
Subtotal OC 25.7	0.0	0.0	0.0	0.0	0.0
25.8 Subsistence and support of persons (contract or Gov't.)	Do not enter data on this line.				
Subtotal OC 25.8	0.0	0.0	0.0	0.0	0.0
26.0 Supplies and Materials	Do not enter data on this line.				
Subtotal OC 26.0	0.0	0.0	0.0	0.0	0.0
31.0 Equipment ADP Software Purchases ADP Hardware Purchases	Do not enter data on this line.				
Subtotal OC 31.0	0.0	0.0	0.0	0.0	0.0
TOTAL BUDGET	199,500.0	189,525.0	237,000.0	189,525.0	248,850.0